Fortune

One Dollar a Copy MAY 1930 Ten Dollars a Year

CARNEGIE LIBRARY OF ATLANTA

ILLUSTRATED IS THE 5-PASSENGER 16-FOOT RUNABOUT · 40 H.P. MOTOR · SPEED 25 MILES AN HOUR PRICE, FULLY EQUIPPED, $945

STORIED waters of many lands have purled a welcome to the new Dodge Boats · · · Pictured here is England's River Thames—famous in fact and fable · · · Only the miracle of modern mass production could create these new Dodge Boats at such amazingly lessened prices · · · At $945 the new Dodge Sixteen Footer alone begins a new epic in boating history · · · With mahogany planking from stem to stern · · · bottoms double planked · · · this gem of marine beauty is fully equipped from luxurious upholstery to electric starting and lighting · · · with a 40 horsepower motor ready to speed away from dock or mooring at twenty-five miles an hour · · · It is merely one illustration of the striking values in the entire series of new Dodge Boats including · · · the 35-miles-an-hour Twenty-one Footer at $2100 · · · the 38-miles-an-hour Twenty-five Footer at $3200 · · · and the 300 horsepower Twenty-eight Footer with its better than 45 miles an hour at $4500 · · · Victoria Sedans at $3900 to $5300 · · · Write for a complete color catalog with descriptions of all Dodge Boats.

DODGE BOATS

HORACE E. DODGE BOAT & PLANE CORPORATION. WORKS: NEWPORT NEWS, VA. GENERAL SALES DEPARTMENT: 21 W. 46th ST., N. Y. C.

When Success depended on Speed, the early Robin got the contract!

A big industrial piping project near Detroit... bids closing in a few hours. Engineers and estimators in Boston working overtime... at top speed... for the bid was being prepared on short notice.

Neither by train nor auto could it be delivered within hours of the time limit set. But the R. H. Baker Supply Company had at hand an instant and reliable means of transportation... their Curtiss Robin.

There was more to the Baker bid than just price and materials. Here was an organization so progressive that they made the swiftest of all modern transportation serve them. To the customers this presaged up-to-the-minute service and close cooperation. With their Robin, the R. H. Baker Supply Company won that contract against all competitors.

In many ways does this Robin serve its owners. It has carried Mr. Baker and his associates more than 25,000 miles in three months. It has narrowed a week's inspection of installations to three days. It has delivered important repair parts and materials—sometimes 500 lbs. in weight—to manufacturing plants that were losing $1000 an hour through forced shutdown.

The Robin is particularly adapted to private and corporation use. It makes old schedules of time and mileage obsolete. It puts Boston within two hours of New York—Los Angeles only four hours distant from San Francisco. Its speed sets new and greater profit standards for sales and supervision, delivery and travel.

Powerful engines, sturdy construction, inherent stability and traveling comfort are combined in the Curtiss Robin to make business necessity an actual pleasure. The Robin is available in three or four passenger capacities. It is powered, at your option, with engines of from 80 to 180 h. p., permitting cruising speeds of 85 to 100 m. p. h., and a range of from 440 to 550 miles.

A card or letter will bring you full details about the Curtiss Robin, its first cost, operating and maintenance costs. Also the name and address of the nearest Curtiss-Wright dealer, where you can see the Robin, ride in it, and convince yourself of the part it will play in increasing the profits of your business. Write Dept. R-1.

President R. H. Baker, and Salesman-Pilot H. S. Oberting, place a premium on time—and fly.

CURTISS-ROBERTSON AIRPLANE MFG. CO.
Division of CURTISS-WRIGHT
27 West 57th Street · New York City

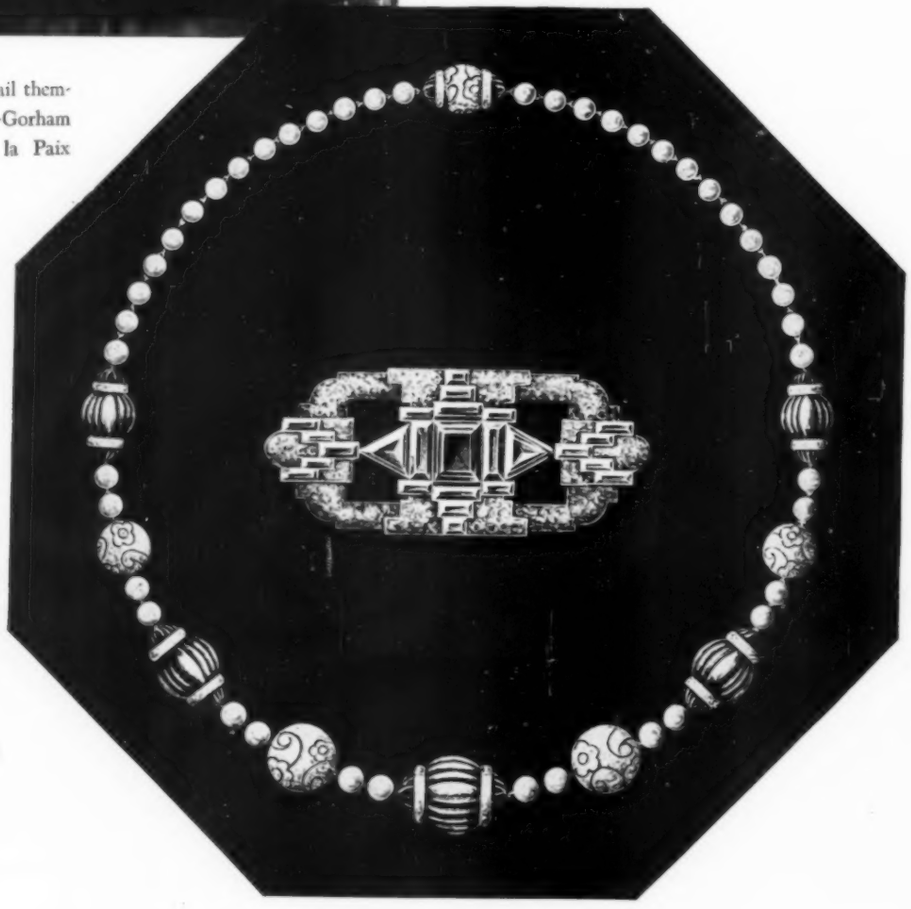
CURTISS ROBIN

For Business · Pleasure · Instruction

Interesting examples of the fine Jewelry and Silver shown by Spaulding-Gorham.

The Bride's Silver and appropriate Wedding Gifts may be selected from the complete range of the noted GORHAM productions in Sterling Silver.

Visitors to Paris may avail themselves of the Spaulding-Gorham service at 23 Rue de la Paix



SPAULDING-GORHAM, Inc.

Jewelers and Silversmiths

Michigan Avenue CHICAGO - Orrington Avenue EVANSTON
23 Rue de la Paix PARIS

Associated with
BLACK, STARR & FROST—GORHAM, Inc.
Fifth Avenue, New York and Palm Beach

FORTUNE is published monthly by TIME, Inc., at 205 East 42nd Street, New York, N. Y. Entered as second class matter January 7, 1930, at the Post Office at New York, N. Y., under the act of March 3, 1879. Subscription rates: One year in the U. S. and possessions, $10; Canada, $10.50; elsewhere, $11.

CARNEGIE LIBRARY OF ATLANTA

THE WEST, MEN SAY, IS BUILDING UP

ANOTHER GREAT NEW YORK

DESTINY IS RAISING SAN FRANCISCO TO A BRILLIANT PLACE!

The very destiny that raised New York above the other cities of the world—the destiny that is made by men with things to sell—has singled out this city by the *Golden Gate* . . .

In the center of the whole Pacific Coast, headquarters of the West we know today, San Francisco's coming dominance will extend across the sea!

900,000,000 people in the lands around the Pacific are coming to appreciate the countless things that modern manufacture means . . . 900,000,000 people many of whom have never worn a shoe . . .

In the years just past the world's attention was turned logically to Europe. But now this newer, most potential *Pacific* market shows unmistakable signs of widespread enterprise. Traditionally the gateway to the nearly-billion people along the Pacific shore, San Francisco is in a position to know exactly what is going on. And San Francisco is making ready for the role she is to play.

There will be many claims to leadership before the great Pacific Era hits its stride, but men who know the facts that underlie the issue say San Francisco's place is most strategically secured. Today it is headquarters for the leading financial, commercial, manufacturing and transportation interests in the west. San Francisco Bay is second only to New York in value of water-borne tonnage. The steamships of 118 lines dock beneath its famous hills; and three transcontinental railroads compete to serve it best. An even, temperate climate holds labor to its highest productivity. Economical electricity, oil and natural gas are further aids to industry; and surely, this region's wealth of natural resources needs no description here.

Half the people of California live within a radius of one hundred and fifty miles, while 11,000,000 people who live west of the Rocky Mountains can be served most quickly and cheaply from San Francisco—added reason for this city's present place.

The old romantic lure that has brought thousands to visit, and back again to live, becomes an ever more enticing thing. San Francisco offers able men tremendous opportunity!

Why not come out this summer? Vacation in the varied outdoor land that San Francisco centers—and see this city for yourself. Californians Inc., 703 Market St., San Francisco, will be glad to send you two vastly interesting, free, illustrated books: "California Vacations" and "Why Manufacturers Choose San Francisco". Address Department 2205.

SAN FRANCISCO
IN CALIFORNIA—"WHERE LIFE IS BETTER"

How a one cent postcard seated 50 men at a table 25 feet long

Several years ago we received a postcard from the Secretary of the Chamber of Commerce in Washington, asking for a representative to present sketches and prices of Danersk Furniture.

Two of our men went down to Washington and found an interesting problem. To create, for a 40 ft. x 20 ft. room, a table capable of seating 50 people in such a manner that all could see the President and that each man, by turning his head just a trifle, could command a clear view of anyone speaking. We made at least 12 studies of the layout of the board room before we at last solved the problem and designed a table in the form of a horse-shoe.

We should be glad to study the needs of your office with the same interest, no matter whether it be a small, single room or a large suite of chambers.

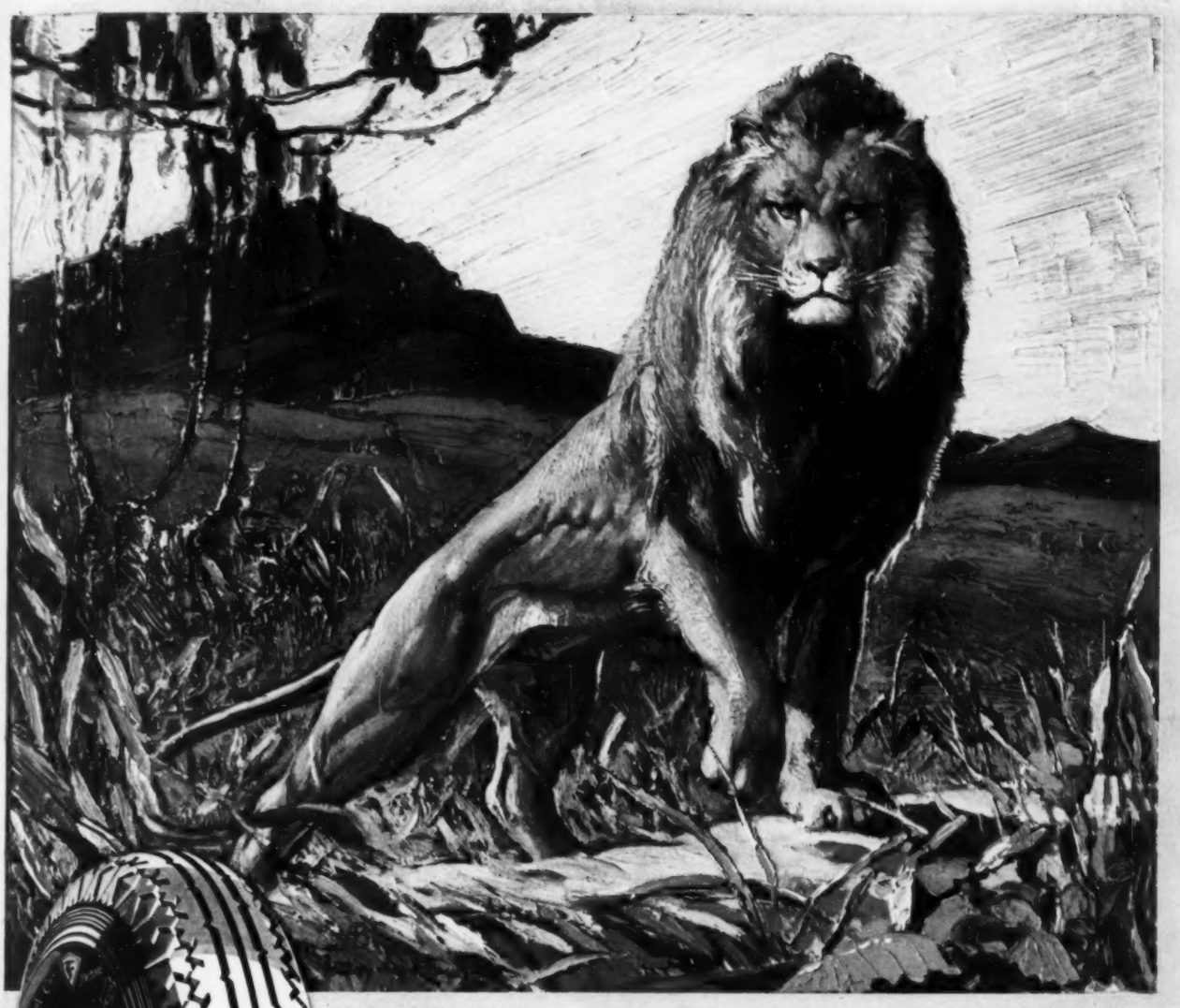
You will, we believe, find it equally worthwhile to express, in appropriate Danersk Furniture, the sincerity of your business ideals and the thoughtfulness of your methods.

Danersk Furniture is built by hand by Scotch and English cabinetmakers. And yet, because you are dealing direct with the maker, you may purchase these interesting pieces at no greater cost than furniture less carefully produced.

You are cordially invited to inspect the displays at our showrooms and to write for our informative brochure "The Livable Office."

DANERSK
FURNITURE

ERSKINE-DANFORTH CORPORATION, *Designers and makers of choice furniture.* NEW YORK: 383 Madison Avenue. CHICAGO: 620 North Michigan Avenue. CLEVELAND: 11129 Euclid Avenue. *Distributors:* BOSTON: 132 Newbury Street. LOS ANGELES: 2869 West 7th Street



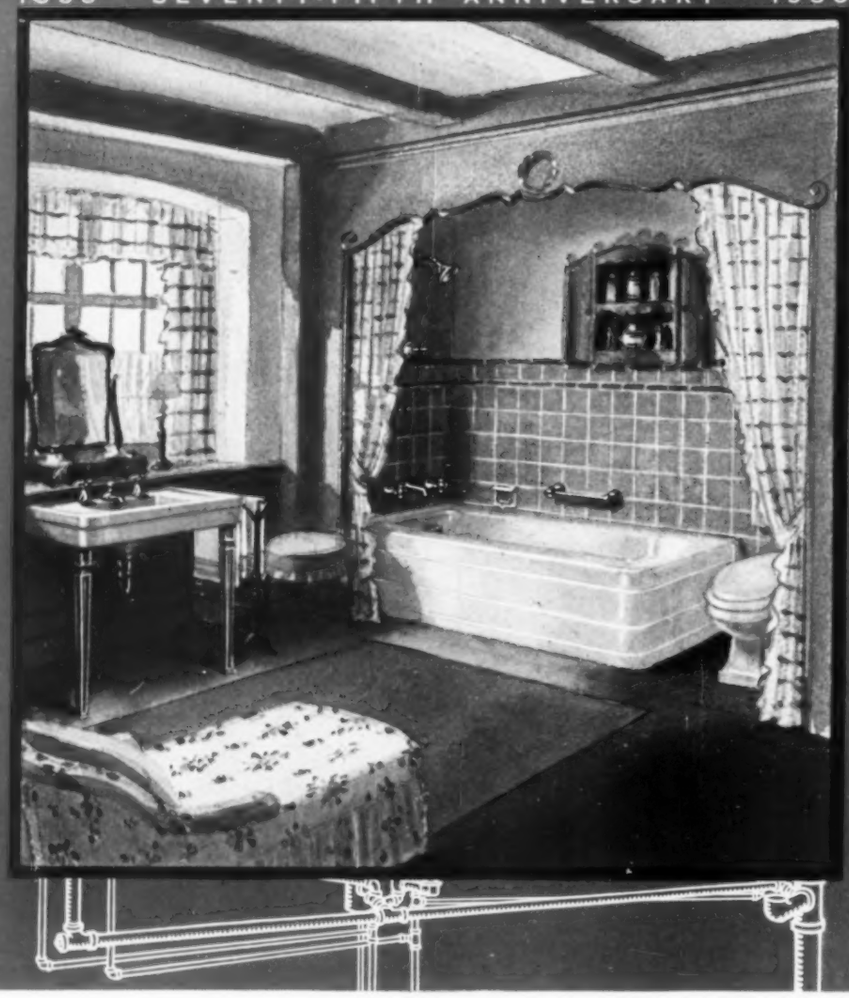
SUPREMACY

WITH sinewy strength, with unbelievable endurance, with sure-footed tread—the New Firestone Supreme Balloon is comparable to no other tire. Like the Lion, it is dominant in its domain. Under the multi-angled, extra-thick safety tread of toughest rubber known is the patented Firestone Gum-Dipped construction . . . Gum-Dipped cords, each in its own bed of pure live rubber . . . Rugged—Strong—Safe—a tire of character and personality to match the finest car. Firestone Gum-Dipped Tires hold all world records for safety, economy, endurance and long mileage. ✣ The New Firestone Supreme Balloon is the choice of discriminating motorists everywhere. Let the Firestone Dealer equip your car now.

Firestone
Supreme Balloon

Copyright 1930—The Firestone Tire & Rubber Co.

1855 · SEVENTY-FIFTH ANNIVERSARY · 1930

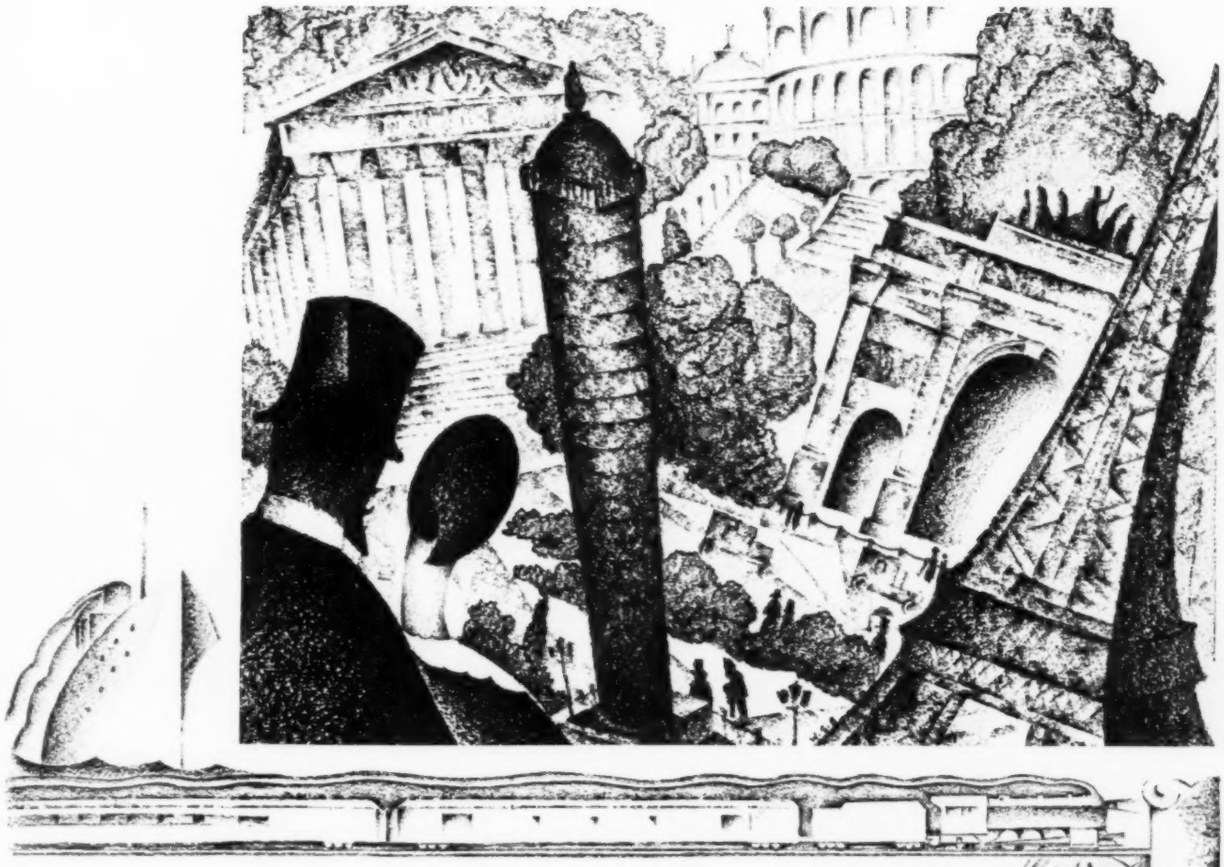


AROUND a center of interest, the effective bathroom interior is planned, just as is a living room interior. Here an unusually interesting effect is obtained by placing the citrus yellow *Norwich* lavatory beneath a window, with the mirror framed by the window itself. An alcove holds the *Corwith* bath and shower. The closet is the new square base *Santon.* The charm of this room is the result of skill in arrangement and decoration and the inherent beauty of Crane fixtures, not of higher cost. All the materials are reasonably priced. . . . Further to put such beauty and comfort in reach of everyone, the Crane Budget Plan is now offered. Under it, you can have any Crane materials fully installed, and pay in small monthly sums. For installation under this Plan, see a Crane Qualified Contractor-Dealer.

Valves CRANE *Fittings*

FIXTURES, VALVES, FITTINGS, AND PIPING, FOR DOMESTIC AND INDUSTRIAL USE

Crane Co., General Offices: 836 S. Michigan Ave., Chicago • 23 W. 44th St., New York • Branches and sales offices in one hundred and ninety cities



Transplanting Paris

At a famous numero of the rue de la Paix, appraising eyes review passing creations . . . Somewhere on the rue St. Honoré a man who has bought millions of gloves for us selects several of the better new styles . . . One shrewd young man knows where to go in Paris for marvelous costume jewelry; another for hosiery more sheer than shadows; another for tapestries that few may own but none fail to admire. • These are some of Marshall Field and Company's large staff of resident representatives in Paris. In addition, scores of men and women from Field's in Chicago visit Paris periodically. Alert, fashion-wise, their purchases reflect an intimate knowledge of Continental correctness. • You are cordially invited to come to Field's for almost anything you might like from Paris.

Marshall Field and Company

RETAIL · CHICAGO

Off the Record

Hello, World

CHAIN stores are seventy years old and violent criticism of them at least twenty years old. The critics have the oratorical advantage. They may conjure the Monster of Monopoly and the Demon of Wall Street; stoutly they may align themselves in defense of Our Schools, Our Homes, Our Sons and Daughters. Confronted by such trite but telling exaltations, the chain store defender is most often irritated but silent. If he answers, he is prosy. He must speak about mass distribution, child of mass production, efficient marketing as opposed to inefficient marketing; he must aver that chain stores displace only incompetent independent stores that are a drain on the community anyway, that the competent independents can and always will compete successfully with the chain. In other words, he has nothing to say about Our Schools or Our Sons and Daughters—or, at the most, very little. This fact depresses him somewhat, because he well knows that oratorical advantages have their advantage.

The latest and most colorful individual to make use of this advantage is William Kennon Henderson of Shreveport, Louisiana, and it is his fond hope and a fair possibility that his daily diatribes against the chain store systems may or doom or greatly retard their progress, if not actually affect their present prosperity. Mr. Henderson's weapon against the chain stores is the radio. He owns and operates the Shreveport, Louisiana, station, KWKH (named after his estate Kennonwood and his daughter, Kennon Henderson, whose fairly recent marriage is said to have greatly altered his mode of living).

His entrance into the chain store hurly-burly was casual. He happened to hear an anti-chain speech and invited the speaker to broadcast it from his station which he had originally installed as a method of advertising the W. K. Henderson Iron Works and Supply Company, which has considerably contributed to his fortune. Hearing the speech a second time, Mr. Henderson became inspired and at the close of it seized the microphone and shouted, "He means that these dirty, sneakin' chain stores are comin' into your town and takin' your money and sendin' it to a bunch of crooked, no 'count loafers in Wall Street." That the message was popular was proved next day by a flurry of congratulatory letters and telegrams from KWKH listeners. Overnight Mr. Henderson became a Moses (to whom, incidentally, one of his listeners likened him) leading an unseen flock into a chain-storeless Canaan.

Mr Henderson's radio manner is distinctly his own. His favorite gambit runs something like: "Hello, World! Dawgone Ya! Don't go 'way, now! Don't go 'way! Hello, World! Dawgone your buttons. This is Shreevepo't on the air—Shreevepo't everywhere. Don't go 'way." There follow speeches, by himself or by kinsprits, against the chain stores, a few phonograph records, and more speeches. Mr. Henderson's frequent interspersions of "damn" and "hell" in his speeches roused the ire and eloquence of Senator Dill of Washington. Mr. Henderson answered by making puns of the Senator's name, but when the Federal Radio Commission threatened to remove his license he forswore using the words.

In a comparatively short time, Mr. Henderson's racy philippics had won him a certain fame. He now organized. The flavor of traditional oratory clings to the name he chose for the organization. It is known as the Merchants' Minute Men, and the dues are twelve dollars a year. Mr. Henderson explained that he needed money for the distribution of pamphlets and the like and that since KWKH had few advertising accounts, money was needed to operate it not at a loss. About 10,000 Merchants' Minute Men have cheerily paid their dues, so it may be presumed that the station is reasonably solvent.

Another slightly commercial facet of Mr. Henderson's crusade is his advertising and selling for one dollar the can "Hello World" coffee. Mr. Henderson admits that no coffee is worth one dollar a can, but says that people buy his out of curiosity and perhaps out of loyalty to his cause. His photograph accompanies each can.

Mr. Henderson, aside from other activities, is president of the Henderson Land, Timber and Investment Company, and vice president of the Lindsay Printing Company, which prints many of his pamphlets. He is tall, of athletic build, bespectacled, and well dressed. He voted for ex-Governor Smith and is a friend and admirer of Governor Huey P. Long. He is a member of the Shreveport Country Club, the Shreveport City Club, and the Order of Hoo Hoo.

Grateful might

HEYWOOD BROUN thought it should be called Tunney and someone else suggested the name Percival Lowell, but Evangeline Adams will tell you that the name of the new planet recently discovered by Dr. V. M. Slipher, of the Lowell Observatory, and his associates is of little importance. The planet's influence, however, will be felt as soon as astrologers learn more about its ways and habits. Its discovery, Miss Adams assures you, does not affect horoscopes cast without knowledge of its existence (she herself has cast more than a quarter million and has been, she says, about 95 per cent right).

A new planet means that a new aspect of human consciousness is developing. Astrologers will now carefully watch the new planet, and in time they will discover that it corresponds to and affects a psychic part of man. Miss Adams cannot tell, of course, but she has a sneaking suspicion that the planet will concern mechanical things and that part of the mind which develops inventions in engineering and physics. There will, perhaps, be an acceleration in this sort of thing, and marvelous new inventions will come with great rapidity. Of course, as many people know, Uranus is the planet of science and invention, but if Miss Adams is correct some sort of adjustment between Uranus and the new planet will undoubtedly occur.

Miss Adams in private life is Mrs. Evangeline Jordan. She chose Mr. Jordan because of his horoscope. For some thirty years she has been conducting what is tantamount to a business of mass production horoscopes. She hesitates to name her living clients, but among those who have passed on she mentions the late J. P. Morgan, Seymour Cromwell, Jacob Stout, James J. Hill. Of course, she can read your horoscope whether or no you go to her, and hence she knows what days are propitious for Mr. Hoover or Mr. Coolidge though neither of these gentlemen, it appears, sent to her for a reading.

She says that she is consulted by "all big business men." "They're mighty grateful to me," she adds, "for what I did last fall. They know that if I had told even a very few of them who came to see me or telephoned all hours of the night, to withdraw their money from the biggest banks, there would have been a real disaster. Word would have gone around that I had advised this. There would have been a run on the biggest banks and they would have gone bust. No one knows, as I do, how bad the condition of the banks was then. They're mighty grateful for what I did."

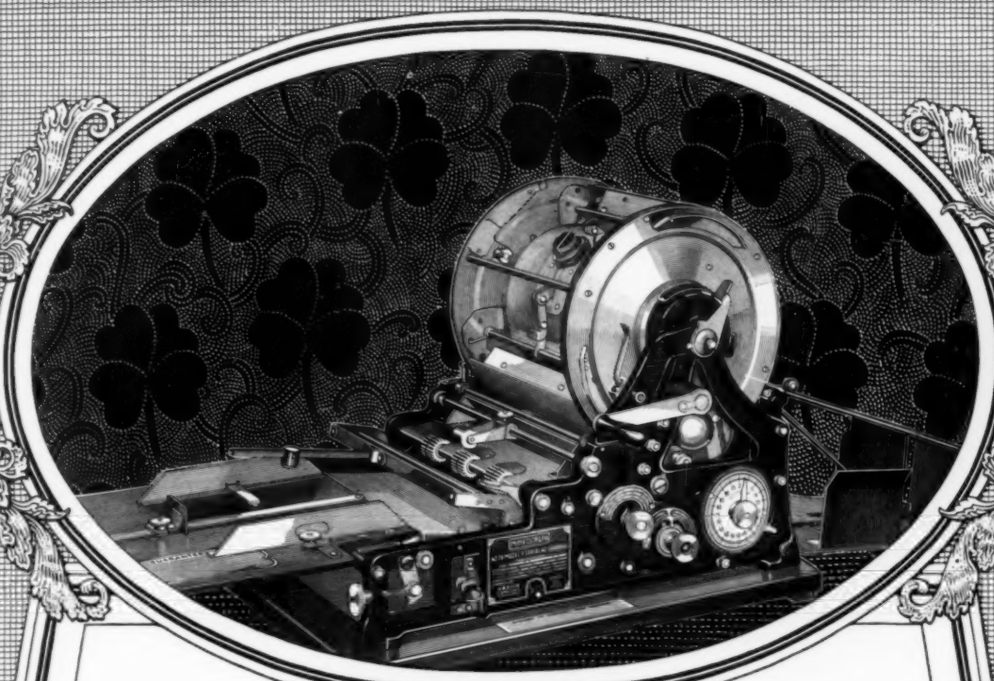
Miss Adams believes that men, and especially business men, as believers in astrology, are on the increase. Hundreds of them come to her in her office in Carnegie Hall, New York, she says. And many of them buy her autobiography, *The Bowl of Heaven*, or her well-known textbook, *Astrology: Your Place in the Sun.*

Wall Street Blues

IN 1909 there was a mayoral contest in Memphis, Tennessee. There were three candidates and each, to assist and melodify his campaign, employed a colored band. Of these, one was led by an able and musical young negro called William Christopher Handy, who, the better to assist his candidate, a Mr. Crump, composed a campaigning song. It proved so popular that in a comparatively brief time everybody in Memphis was singing it and Mr. Crump was elected. Thereafter, Mr. Handy rewrote the words, and the song soon won nationwide fame and imitation as the *Memphis Blues.* The composition earned for Mr. Handy the sobriquet, "Originator of the Blues," a title not disputed, but actually upheld for him by so reliable a researcher as the *Encyclopædia Britannica.*

Other Handy songs (notably the *St. Louis Blues* and the *Beale Street Blues*) followed this initial success, and blues became definitely a part of American music. For his latest inspiration Mr. Handy deserted the South and Middle West and turned his attention to Wall Street. His song, the *Wall Street Blues*, has just been published (by himself) and deals, in rather melancholy fashion,

CARNEGIE LIBRARY OF ATLANTA



LUCK IN BUSINESS

Of course there is something of luck in every success. But certain it is that luck comes most to him who has the necessary ability and equipment to profit by it. In today's strenuous competition the Mimeograph is a factor of good luck. Sales letters, bulletins, charts, questionnaires, direct mail circulars, house organs, price quotations, stock lists, reports, etc., it produces in limitless quantities, with unmatched dispatch —written or typewritten, and illustrated as desired. But not merely speed and accuracy are the Mimeograph's forte. Real economy is its big virtue. And its famed stencil sheets—Mimeotype, and the new Cellotype—give mimeographing today at less cost than ever before. Reach out for better luck—save time, make money with this great business getter and organization welder. For particulars write A. B. Dick Company, Chicago, or branches in principal cities.

MIMEOGRAPH

EDISON-DICK
MIMEOGRAPH
CHICAGO

GENTLEMEN'S

Spring Clothes

IN DISTINGUISHED STYLES

Notable distinction in woolens and absolute correctness in style are predominant characteristics of our spring suits and coats ready for wearing

Tailored for us by Hickey-Freeman with the special regard for detail that gentlemen who dress with discernment require in their apparel

F. R. TRIPLER & CO.

Outfitters to Gentlemen · Established 1886

MADISON AVENUE AT 46 STREET

New York

with the October, 1929, crash. The patter follows:

Margin callin' brokers, miles of ticker tape
Got a many poor old saphead wearin' crepe,
Wailin' Wall Street I just can't enthuse—
Boo-hoo-hoo-in' I've got the Wall Street Blues.

The verse observes: "Wailin' Wall, Oh, Jerusalem! There's one in New York too." Melodically it is much like other blues.

Yacht parity

OUT in Chicago, two men fought a battle for yacht supremacy to a standstill, organized a limitation conference, and agreed to a two-man pact.

Ten years ago, the 46-foot yacht *Wo-Wo-Tay-See* (Indian for firefly) lay beside the 55-foot yacht *Margo* in the obscure port of Three Rivers, Michigan. Out of the *Wo-Wo-Tay-See* stepped Mr. Eugene Francis McDonald, president of the Zenith Radio; out of the *Margo* stepped Burt Alend Massee, vice president of Colgate-Palmolive-Peet. The two men met, liked each other, talked boats. Mr. McDonald observed the extra nine feet on the *Margo* and was filled with shame for the *Wo-Wo-Tay-See*. He went back to Chicago and bought the *Zenith*—80 feet. Mr. Massee saw the *Zenith*, and the *Margo* lost its charm. He bought a *Margo II*—98 feet. Mr. McDonald snorted and bought the *Naroca*, a full 110 feet long. Mr. Massee rolled up his sleeves and ordered still another *Margo*—$500,000 and 165 feet. Mr. McDonald looked and scratched his chin. A little later a new queen rode at anchor at the Chicago Yacht Club—the *Mizpah*, $1,000,000 and 185 feet. Mr. Massee gave up.

Side by side, in amicable agreement, the two boats now roam about the Bahamas, the Cocos, and the Galápagos together. Peace broods over the mid-western front.

Floors

TWO contributions to the psychology of office floors have come to light lately.

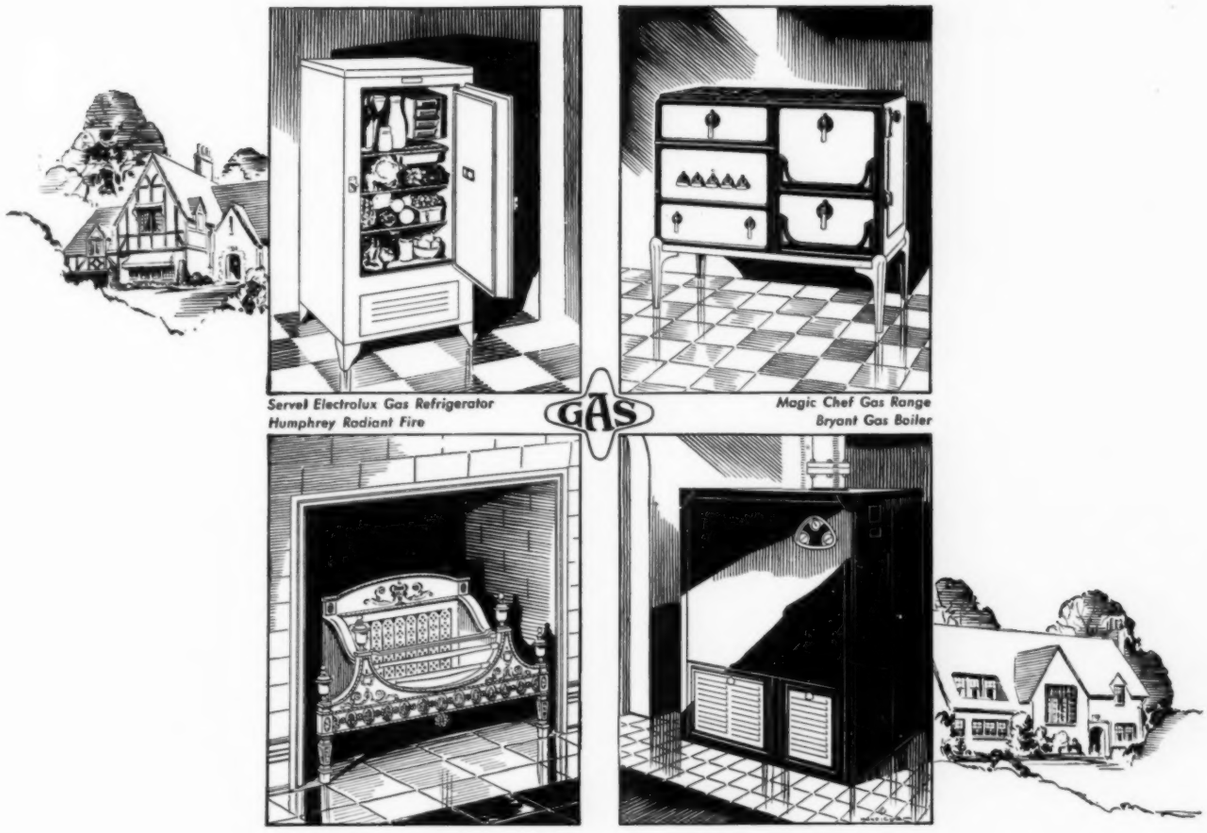
Contribution one: the curious case of Mr. P. A. S. Franklin, president of the International Mercantile Marine. Usually a man of affability (he believes firmly in starting the day with a smile), Mr. Franklin has difficulty in preserving his good humor when an unwary underling picks a bit of paper from the floor and lays it on the desk. Mr. Franklin uses his floor as his filing system, laying his papers there in rows and ranks after their order and importance. In the evening he moves among them as Ruth among the sheaves, gathering them into packets to take home.

Contribution two: the dramatic case of Mr. H. H. Timken, of the Timken Roller Bearing Company. No introvert, Mr. Timken expresses his emotions through whatever media he has at hand. On his office floor is a thick carpet, lush, luxurious. When some untoward wind has blown across the Timken fortunes, Mr. Timken stalks that carpet, scattering burning cigarette butts. Let no one dare pick those cigarette butts up; let no one step on them. Mr. Timken wants them to burn there. Later, sitting relaxed and satisfied at his desk, he likes to look across a carpet covered with welts, like notches on a gun, marks of successful rages.

Cutten's policeman

QUIETLY and unobtrusively the quiet and unobtrusive figure of Mr. Arthur Cutten slips in and out of the Continental Illinois Bank Building in Chicago's Loop. Once inside the building, Mr. Cutten pauses for a moment in Clement, Curtis & Company; drifts on down the hall to F. B. Keech; slides thence through a private door into his own secret hide-out, a luxurious suite equipped with flickering Translux ticker tape and comfortable furniture, fit for thought. There Mr. Cutten contemplates the problems of Baldwin Locomotive or the Chicago Corporation in the seclusion he loves.

Outside his office, Mr. Cutten is almost equally secluded. Most of the year he hurries back at night to "Sunny Acres," in semi-rural Downer's Grove, where he has installed the two stained glass windows saved from the old Board of Trade building. In the winter he wanders down to the prosperous but socially obscure winter resort of Biloxi, Mississippi. He sees old friends, grain traders he has known for many years, plain people who, like himself, go to bed at 9:30 and get up at 6:45. In his quiet, genuinely modest life is only one streak of scarlet, one stripe of romance. Mr. Cutten has a fascinated interest in policemen.



Servel Electrolux Gas Refrigerator
Humphrey Radiant Fire

Magic Chef Gas Range
Bryant Gas Boiler

GAS COMPANIES ARE PROSPERING

★GAS COMPANIES are prospering. Even happier days are ahead.

★ Gas consumers are enjoying better service through the use of appliances designed specifically to burn gas. Gas-designed appliances have long been efficient, they are now beautiful.

★ A leading range manufacturer is offering a handsome new range. The newer radiant heaters are styled to harmonize with their surroundings. Gas-fired refrigerators are quiet and economical. The new Bryant Boiler is so good-looking, so clean, and so silent that the furnace room is now a livable part of the home.

★ The good-will of influential citizens, stimulated by their enjoyment of gas-heating in their homes, is of inestimable value to every gas company. This good-will does not appear on financial statements, but is reflected in security values.

★ Happy days are ahead for the progressive Gas Companies and for their shareholders. The next ten years will see the greatest expansion in the history of the industry.

BRYANT GAS HEATING

THE BRYANT HEATER & MANUFACTURING CO.
17882 St. Clair Ave. :-: Cleveland, Ohio

Amphibians, powered by Isotta-Fraschini
Courtesy of American Aeronautical Corporation

TRANSITION

YESTERDAY we compared the "one lunger" to the horse; it seemed fast and powerful.

But today, we begin to contrast motor car travel with the swift unhampered flight of our planes and we are no longer satisfied with the mediocre.

However "air minded" you may have become, there is still a thrill in store for you, behind the wheel of this straight-eight, with a hundred and forty **usable** horsepower at your bidding and toe-touch brake control that gives safe handling at airplane speeds.

ISOTTA FRASCHINI

MADE IN MILAN, ITALY

ISOTTA MOTORS, INC.

NEW YORK: 119 West 57 · · · CHICAGO: 846 Rush

He likes to talk about police methods, discuss their problems, criticize their technique. When he dissipates to the extent of a very occasional cigar, it is with Chicago's Chief of Police William Russell, the red-faced, jovial product of a lifetime on the force. They may be observed together on the golf links and at baseball games. Sometimes Mr. Russell stays with the Cuttens on Lake Shore Drive. It was through Mr. Russell that Mr. Cutten struck up his friendship with the policemen in the North Shore section. For now, every so often, a wanderer along the lake front of an evening will find Mr. Cutten enjoying his most riotous pleasure—an absorbed pacing with the local cop around his beat.

Basements, Easy and Uneasy

DOWN in Fourteenth Street in New York, when there is a sale, an occasional plate glass window shatters before the hordes of bargain-hungry ladies. It is a trifle. In Boston when Raymond's advertises a sale, the Irish Boston bluecoats come in mass formation to keep the ladies from tearing the buildings down. Even on days when there is no sale in the ramshackle buildings on Washington and adjacent streets, mobs pour in to seize in triumph the goods hung on gaspipe racks and piled high upon tables. Beacon Street scorns it and buys there. All have read Mr. Frank I. Dorr's advertising masterpieces in the newspapers:

"MORE SHOES! Kumonin Monday Mornin—speshully if you got up GROUCHY. Coz this SHOE STOCK'll make yer laff. Twould Be Well Nuff ter Kum round Nine Ten Or Leven Coz taint a Very Big Stock—We only paid $1,250 for it.

"Lingerie and underfixins. All Speshully Selected Stock. An I'll bet leven Cents the girls'll be Tickled Mosterdeth When They See It."

It is recorded that Mr. Dorr was once upon a time a school-teacher. Also he was once a sawmill hand. In 1895 he took a job at George Raymond's store. He spent most of his time in the early days there traveling about and buying out the stock which certain stores for financial or other reasons had to sell. When Raymond died in 1915, Dorr, then his right-hand man, managed the business of the estate for a year and then bought it himself with money he had saved out of his salary. Soon the store began to grow amazingly. Originally it occupied part of one building. Now it has expanded to include half a dozen adjoining or nearby structures. When the first bargain basement was added, Mr. Dorr pondered in his office and then gave the basement a name. He called it the Easy Basement. A second basement with a narrower stair he called the Uneasy Basement. The name has no terrors. Bargain hunters pack it every day.

When Mr. Dorr acquired his "General Stoar," it did about a million dollars in business annually. Today, it is estimated, the store sells every year ten million dollars, worth of goods. Originally all its stock was bought from other stores. Today only a portion comes from that source, but still Raymond's buys an average of one store's stock a week.

"Boston business men think that I have horns, and that I am cloven-footed," says Mr. Dorr dryly.

He rather likes them to think that. Just as he likes his employees to call him "F.I." and likes the public to call Raymond's the "democratic store." He has made money enough to build his store in marble, but he lets it sprawl because he likes it that way and because he knows the public likes it that way.

One of the Hilltoppers asked Mr. Dorr as he was leaving a dignified meeting of Boston business men how he could possibly "go back to write those terrible ads of yours."

"Why, this dignified part of me is all bluff," said Dorr, "and those ads are natural."

Girl pages

IN the Fidelity National Bank & Trust Company at Kansas City, Missouri, girls in colored smocks carry messages, run errands. They are the office boys. During the War the bank operated with girl pages and messengers, and it was one of the few institutions in the United States to retain its girls after the War. Its reason sounds like a paradox: girls make better office boys than boys. Douglas Wallace, assistant vice president in charge of employment, elaborates: Girls are steadier. Girls are soberer. They do not devote too much time to playing. Girls are not always looking for fifty cents or a dollar a week more in their pay envelopes.

IF your Spring Song is keyed to the marimba symphony of caulking mallets . . . . .

If you know no scent more devastating than attar of oakum . . . . .

No blooms more sprightly than new bunting . . . . .

Isn't it time you gave a thought to the perfecting of summer leisure?

How sweetly a sleek, swift, new Gar Wood runabout would fit into your playtime program. For, seek as you will the world over, you'll find no runabout so ship-shape, so sea-going as the boats that Gar Wood's craftsmen are building. And certainly there's none to compare with them in sheer luxury of finish and appointment.

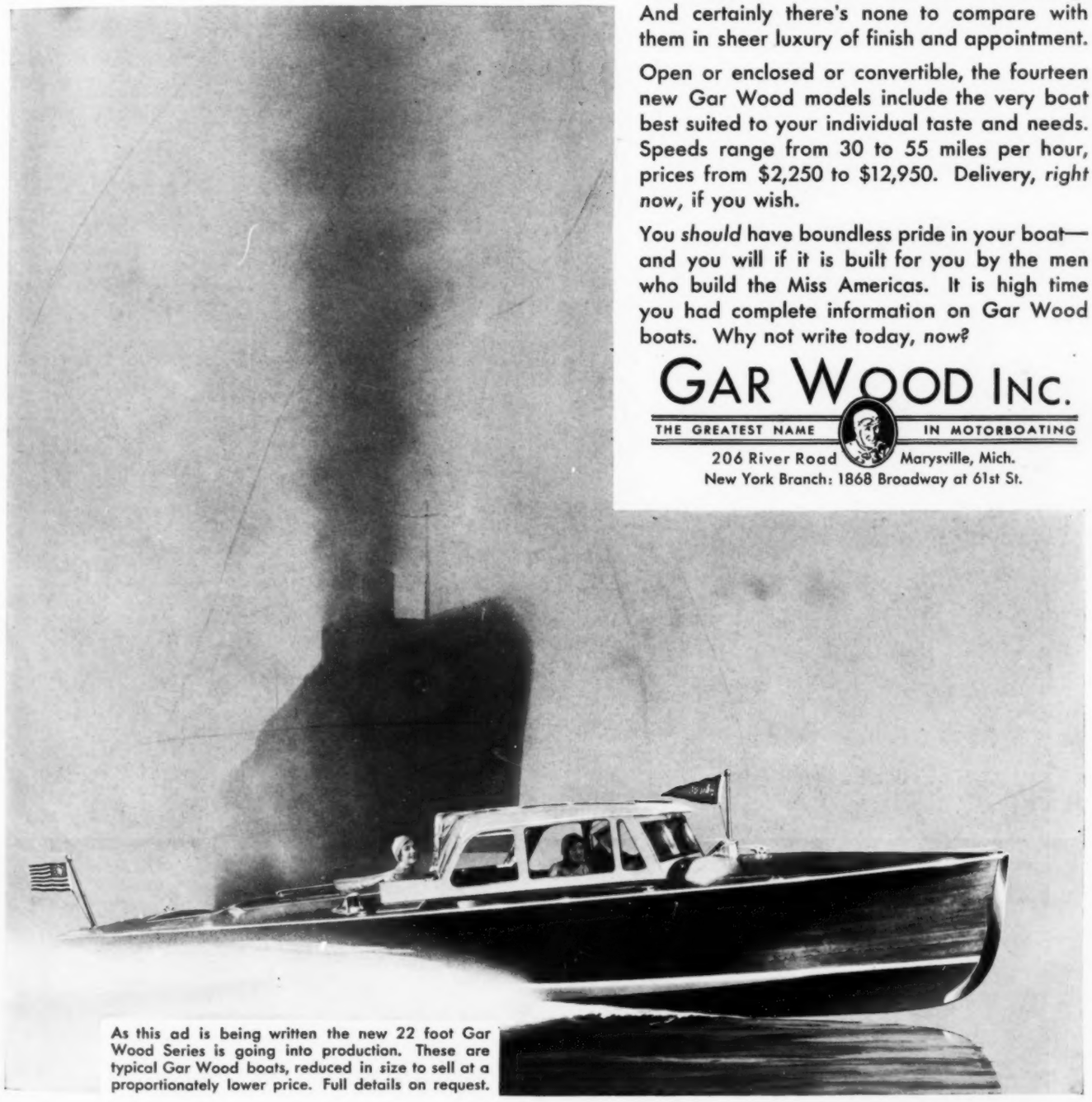
Open or enclosed or convertible, the fourteen new Gar Wood models include the very boat best suited to your individual taste and needs. Speeds range from 30 to 55 miles per hour, prices from $2,250 to $12,950. Delivery, *right now*, if you wish.

You *should* have boundless pride in your boat—and you will if it is built for you by the men who build the Miss Americas. It is high time you had complete information on Gar Wood boats. Why not write today, *now*?

GAR WOOD INC.

THE GREATEST NAME IN MOTORBOATING

206 River Road Marysville, Mich.
New York Branch: 1868 Broadway at 61st St.



As this ad is being written the new 22 foot Gar Wood Series is going into production. These are typical Gar Wood boats, reduced in size to sell at a proportionately lower price. Full details on request.

Useful Beauty — the new requirement in floors

Here is a floor designed to please the eye—and built to move about on, noiselessly, buoyantly, safely, and without fatigue. It is laid with Stedman Reinforced Rubber Tile, cut and fitted in a special pattern of enduring colors rich in pleasing detail. • • And yet it is a floor that can be taken for granted. Its surface is smooth but not slippery, its structure is firm yet resilient. It resists wear. Its beauty is a *useful beauty*, in-built by a process that insures uniform quality and long life. • • Your inquiries will receive individual attention. A booklet in full color is available, without obligation. • • • •

STEDMAN RUBBER FLOORING COMPANY, SOUTH BRAINTREE, MASS.

*REINFORCED: In the Stedman Process minute cotton filaments, uniting with the rubber under high pressure and heat, are responsible for its unusual resistance to wear and distention, its lasting resilience and smooth, impervious surface—characterized by color veinings of remarkable fineness and beauty. • • •

Stedman Reinforced* Rubber Tile

BILLIARD ROOM AT THE CHICAGO CLUB

Chicago. Granger & Bollenbacher, Architects. The floor shown here is one of many important areas in this famous club that are floored with Stedman Reinforced Rubber, laid in special panels designed by the architects.

ROOM PHOTOGRAPH COPYRIGHT E. L. FOWLER, CHICAGO, ILL.

CARNEGIE LIBRARY OF ATLANTA

TEXACO

THE SYMBOL OF QUALITY FOR PETROLEUM PRODUCTS

RESEARCH... THE GUIDE TO PROGRESS

Anticipating every development; insuring ever higher standards of quality . . . Texaco Laboratories are the source of Texaco progress.

Texaco helps mine 64% of the nation's copper

Of all the copper produced by the United States in a single year, two-thirds is provided by mines using Texaco Lubricants.

Mining companies choose Texaco for the same reason that it is preferred in every branch of industry, commerce and transportation. Today it would be difficult to point out a single lubrication problem that Texaco has not solved. Texaco Lubricants, exposed to the white heat of a steel ingot—or to pressures of tons per sq. in., are rendering effective lubrication. Even in acid mine-waters Texaco provides an effective lubricating barrier against corrosion.

In each of our 48 States, in every civilized nation—wherever wheels turn and pistons flash, Texaco has effected almost unbelievable economies in wear reduction. This has been made possible by the development of specialized products for specialized needs.

THE TEXAS COMPANY

Refiners of a complete line of Texaco Petroleum Products, including Gasoline, Motor Oil, Industrial Lubricants, Railroad and Marine Lubricants, Farm Lubricants, Road Asphalts and Asphalt Roofing.

TEXACO

The mark of quality for petroleum products

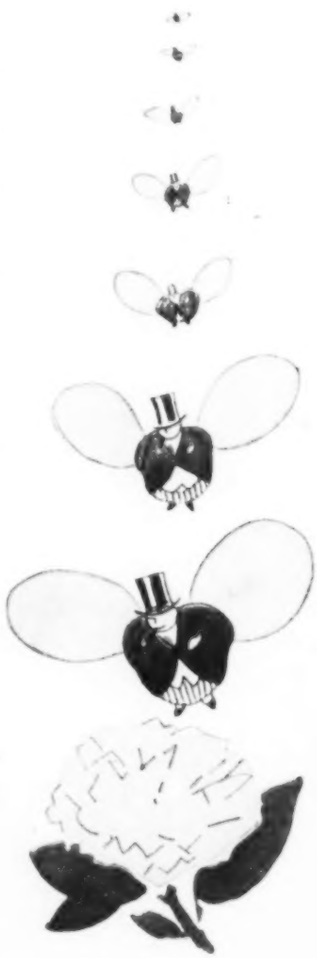
BEE LINES TO BIGGER BUSINESS

Even the youngest bee knows his stuff. "Some flowers," he will tell you in his bumbling way, "have honey, and a whole lot of brighter-colored and bigger ones are as dry as a dustbin."

We wish the bee-test for honey might be applied to circulation. In these days of forced-draft methods used for the purpose of building huge circulation figures, editorial interest has been forgotten. Better Homes and Gardens wasn't built. People today are right in the midst of a vogue of garden building and home decoration. They want Better Homes and Gardens. They buy it to read its helpful, informative articles on garden making, home decoration, home management, cooking.

No forcing methods—no stimulant, save reasonable subscription price and *real* editorial interest. Today Better Homes and Gardens is reaching 1,375,000 homes a month. 85% are homes owned by those who live in them. Can you ask better buying incentive than the owner's natural desire to make that home more and more beautiful inside and outside?

The garden is a vogue—today's biggest and newest vogue. Always, in publishing history, success has crowned the publication shrewd enough to sense and promote a vogue interesting to readers. This was true of the fashion magazine when it made its appearance, of the business-efficiency publications, of the news-review weeklies. It is true today of Better Homes and Gardens. Try this new, vitally alive circulation. Add its youthful vigor, its keenness of editorial interest, to the older, more staid circulation you are already using. We will give you additional evidence of results upon request.



BETTER HOMES AND GARDENS DES MOINES IOWA

DINNER
HORS D'OEUVRES:
BLUEPOINT OYSTER COCKTAIL
ASTRACHAN MALOSSOL CAVIAR
OLIVES CELERY SALTED ALMONDS
MACKEREL DIEPPOISE SLICED PINEAPPLE
ROYANS, BORDELAISE SWEET RED PEPPERS CANAPE CAVOUR
TIMBALE DE FOIE-GRAS EN GELEE
SOUPS:
GREEN TURTLE SOUP CREME PRINTANIERE
CHICKEN CONSOMME, DIABLOTIN CONSOMME IN CUP (HOT OR COLD)
FISH:
BOILED MOUNTAIN TROUT, SAUCE PALERMITAINE OR BUTTER
FRIED FILET OF ENGLISH SOLE
COLD KENNEBEC SALMON, GRIBICHE LOBSTER A LA NEWBURG
ENTREE:
NOISETTE OF LAMB AU LETTUCE FARCIE
MEDAILLON OF SWEETBREAD, LEVIATHAN TOURNEDOS, SUZETTE
BREAST OF CHICKEN, VATEL COTELETTE OF VENISON, ROMANOFF
CHAUD-FROID OF QUAILS, POIRETTE
FRENCH ASPARAGUS, SAUCE HOLLANDAISE PUNCH A LA ROMAINE
ROAST:
ROAST SIRLOIN OF BEEF AU JUS
ROAST TURKEY WITH AMERICAN DRESSING, CRANBERRY SAUCE
ROAST LARDED PHEASANT AUX MARRONS, CREAM SAUCE
VEGETABLES:
NEW HARICOTS VERTS CORN FRITTERS WITH HAM LIMA BEANS
NEW GREEN PEAS A LA FRANCAISE
MARRONS, ROTI ETUVE WASHED MUSHROOMS
POTATOES: BOILED, BAKED, MASHED, SOUFFLE, STRAW AND SWEET
SALADS: LETTUCE FRENCH DRESSING RACHEL ROMAINE
COMPOTE: PEARS CHERRIES APPLES
DESSERT:
SOUFFLE ROTHSCHILD PEACH MELBA BISCUIT AMBASSADRICE
FRENCH VANILLA AND FANCY ICE CREAM
PETITS FOURS MILLER FEUILLES
ASSORTED CHEESE WITH CRACKERS
FRUIT IN SEASON DEMI TASSE

A Cuisine that the whole Atlantic toasts!

At the recent National Hotel Exposition, four prize awards for skill in transatlantic cuisine were bestowed on the famous fleet of the United States Lines. A sterling tribute to menus that sparkle with . . . meats from blue-ribbon stock . . . pheasant, grouse and quail . . . Malossol caviar . . . English sole . . . fresh berries and melons, out of season . . . mushrooms and truffles from France . . . delicious American coffee. Same fine quality food on every ship. To Europe? Take the swift, smart LEVIATHAN, World's Largest Ship . . . ship-to-shore telephone service, "talkies," new, brilliant Night Club . . . with Ben Bernie music. Or the cabin liners, George Washington, America, Republic, President Harding and President Roosevelt for luxury at low cost.

PREPARED BY CHEFS OF INTERNATIONAL FAME; SERVED BY STEWARDS, ARTISTS IN THE MANNER One chef catered for an emperor ... others for hotels renowned for their cuisine. Pick of the culinary craft, they know precisely how to please the American palate. Stewards who know how to suggest with finesse and serve with gracious charm. Special kitchen service for those on strict diets.

UNITED STATES LINES

For complete information see your local agent or our offices: New York, 45 Broadway; Atlanta, 714 Healy Building; Boston, 75 State St.; Chicago, 61-63 West Jackson Boulevard; Cleveland, Hotel Cleveland Building; Detroit, 1514 Washington Boulevard; St. Louis, Jefferson Hotel; Philadelphia, 1600 Walnut Street; San Francisco, 691 Market Street; Los Angeles, 756 South Broadway; Minneapolis, 312 Second Avenue, South; Seattle, 1337 Fourth Avenue; Pittsburgh, 705 Liberty Avenue; Washington, 1027 Connecticut Avenue; Little Rock, Wallace Building; New Orleans, Hibernia Bank Building. Berlin, Unter den Linden 9; Hamburg, Cor. Alsterthor & Ferdinandstrasse; London, 14 Regent Street, S. W. 1.; Paris, 10 Rue Auber. THESE LINES OFFER A COMPLETE FREIGHT SERVICE — SPECIFY AMERICAN SHIPS FOR YOUR FOREIGN TRADE.

The Long and Short of It
Means Fuel Thrift
The Burnham's long
fire travel makes its
short coal bill. And
we can prove it.
Want the proofs?
P. S.—
Send for "Letters To and Fro." It tells of eight peoples' successful solution of eight separate home heating problems. Send for it.
Burnham Boiler Corporation
IRVINGTON, NEW YORK
Representatives in principal cities of United States and Canada

Statistics

One pays to dress well

The problem confronting the bachelor of modest income when he would buy clothes is as nothing compared to that which must be faced by the man whose income is in excess of $100,000 per year. The first may complain of difficulties in finding a place where he can get a lot of good clothes for little money. But the latter may live and die without discovering the most expensive article of apparel in any given class. However, he may pay the prices noted below without being eccentric, and though most of the articles are made to order, they are being made to order daily.

In drawing up the clothes budget that follows, it has been assumed that the prospective shopper has already a complete wardrobe, will be purchasing replacements only, and would not spend more than $10,000. He is a man whose wardrobe is conservative in extent, but superlative in quality. He will buy in a twelvemonth:

6 sack suits ($200 each)	$1,200
1 cutaway	235
1 full dress	240
3 white vests	150
1 tuxedo	260
1 black brocaded vest	50
1 opera hat	20
1 silk hat	20
1 bowler	20
1 soft hat	50
1 panama	200
6 pairs of shoes for street wear	300
1 pair of evening pumps	40
1 pair cloth-top patent leather shoes	45
2 pairs of spats	12
1 evening coat	250
1 topcoat	250
1 overcoat	300
2 dozen shirts ($50 each)	1,200
2 dozen collars ($2.50 each)	60
2 dozen plain linen handkerchiefs	408
2 dozen suits of underwear (shirts and shorts)	2,400
3 dozen socks	360
2 dozen neckties	336
6 evening ties (3 white, 3 black)	12
6 pairs pajamas	450
1 lounging robe	250
3 pairs of gloves	36
1 walking stick	200
	$9,354

These barest necessities allow him a scant $600 for accessories. And if he should lose a set of studs during the year, he would have to content himself with something less than those procurable at $4,000 to $10,000 a set, or scorn the limit of his budget. It has not been presumed that he will travel at all. But by omitting accessories entirely he will be able to purchase an alligator suitcase for $600.

His wife, when he can afford one, will readily outspend him, even if she keeps her apparel purchases down to the number indicated below:

12 sets of lingerie	$6,000
3 corselets	450
6 dozen pairs of daytime stockings	1,296
3 dozen pairs of evening stockings	648
1 dozen pairs sport lisle stockings	96
24 pairs shoes ($60 to $120 pair)	1,800
2 suits (1 with fur)	800
18 evening dresses ($175 to $500 each)	4,200
1 evening wrap with fur	5,000
1 matching wrap	2,000
10 sport and afternoon dresses	1,800
4 daytime coats	1,400
10 hats	1,050
6 handbags	575
1 dozen lace handkerchiefs	600
24 linen handkerchiefs, monogrammed	96
6 pairs long evening gloves ($12.50 pair)	75
12 pairs daytime gloves ($6.00 pair)	72
	$27,958

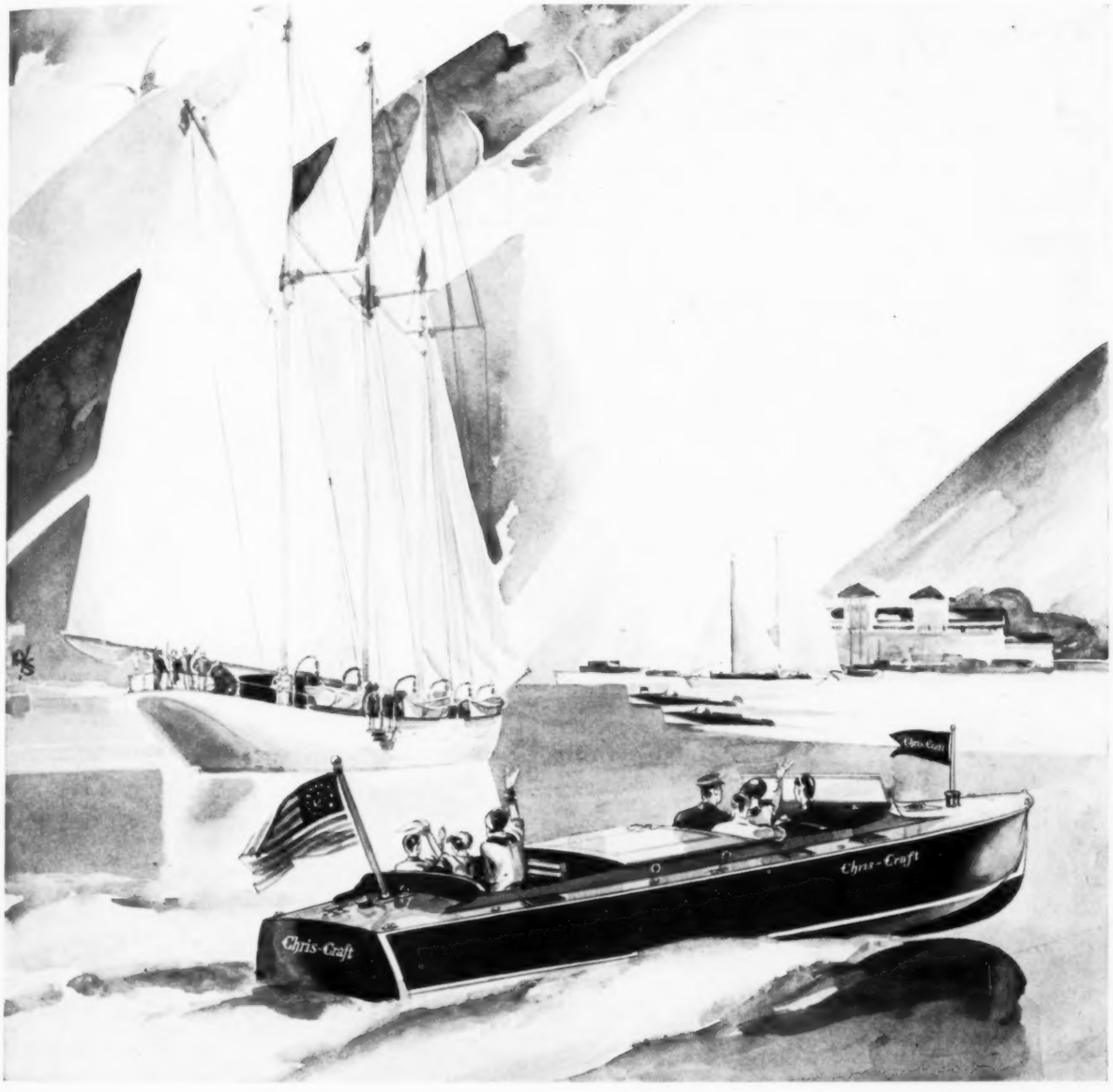
From the foregoing list, fur coats have been omitted entirely upon the supposition that madame can make last year's serve for another season. If, however, she must have a fur coat of, for example, Revillon Freres' finest matched chinchilla, it will cost her $80,000 and will rocket the family clothing bill into atmosphere so rare that budgets and budgeteers cannot sustain life.

• • •

Between 1908 and 1918, eleven manufacturing companies adopted the five-day week. From 1918 to 1928, 281 more companies shortened their week. Now some 650,000 laborers (about 3 per cent of the total number) live on a five-day working schedule. Two hundred thousand of these are employees of Henry Ford.

• • •

Ice cream production has increased sixfold since 1914; candy twofold.



NO land gypsy ever enjoyed the freedom of that nomad of the water, the Chris-Crafter. To him the waterways of the whole world lie open. There are no white lines, no straight pavements. Every bay and river invites the Chris-Crafter to rest or to explore, to hunt or to fish. The shorelines offer wide diversity of play and recreation. Thrilling races, regattas, boat parties, picnics, social affairs—all are within range of the fast, roomy Chris-Craft . . . Every waterside family needs a Chris-Craft, and every member of the family will enjoy and use it. It handles even more easily than a motor car and has the same steering, starting and lighting equipment. There are fast, racy runabouts, luxurious sedans, commuters, cruisers and yachts in the 1930 Chris-Craft fleet. Let the Chris-Craft merchant help you select the one that fits your desire. Illustrated catalog may be had by writing Chris Smith & Sons Boat Company, 125 Detroit Road, Algonac, Michigan.

24-foot Chris-Craft Runabout, 125 H. P., speed up to 35 M. P. H. $2850

NEW!

A 17-foot Runabout, 25 M. P. H., priced at $1295.

. . . .

A few desirable sales territories open. Wire for details.

Chris-Craft

World's Largest Builders of All-Mahogany Motor Boats

Runabouts—Sedans—Commuters—Cruisers—Yachts
25 Models—17 to 48 feet—$1295 to $35,000

Industrial . . .
LOS ANGELES COUNTY

© SPENCE

The Ford Factory at Los Angeles-Long Beach Harbor, nearly completed.

United States Steel Corporation enters Los Angeles County in 1929.

The Willard Storage Battery new factory to serve the Western States.

The Continental Can Corporation's new factory serves the Pacific Southwest.

OFFERS to manufacturers a local market of 2,500,000, of the same metropolitan character as Chicago and New York,—a large central city surrounded by smaller communities,—with adequate space for economic, well balanced growth:

—With highest income, savings deposits, purchasing power and automobile ownership per capita in the U. S.

—With quick and economical transportation by motor truck, rail and airplane lines to nearby markets which comprise 40 per cent of the population of the Coast States, and 175 steamship companies to and from Los Angeles Harbor in foreign and domestic trade:

—With more local basic raw materials of industry than any Coast community, and imports at low cost;

—With *the only local supplies of petroleum and natural gas among cities of the coast,* abundant cheap water and electric power;

—With unsurpassed labor supply and efficiency, working under ideal climatic and living conditions;

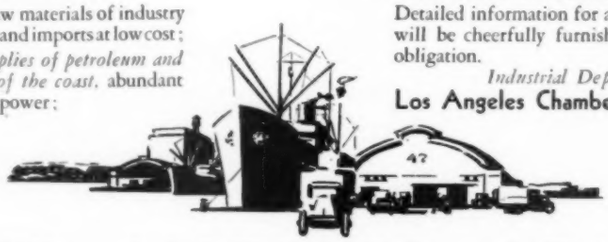
—With a present *manufactured output exceeding a billion dollars* annually, and $35,000,000 invested in new factories and expansions last year, at lowest costs of building and maintenance;

—With a program of general development in 1930 of $400,000,000—

The Eastern manufacturer finds here the dominant industrial and distribution center and most marked progress in the West, with the highest average of advantages for the location of his Pacific Coast factory.

Detailed information for any specific industry will be cheerfully furnished free of cost or obligation.

Industrial Department
Los Angeles Chamber of Commerce



INDUSTRIAL LOS ANGELES COUNTY

CARNEGIE LIBRARY OF ATLANTA

NORTON

Grinding Wheels
Grinding and Lapping Machines
Abrasives for Polishing
Refractories
Pulpstones
Porous Plates
Floor and Stair Tile
Abrasive Aggregates

Wood block engraving by Howard McCormick from mural by Arthur Covey

Colorful highlights . . . . . fire red, yellow and white . . . . . intense heat. Norton Grinding Wheels are passing through the vitrifying process. Heat properly regulated and controlled converts ceramic bond into glass or glaze, bonding millions of abrasive cutting units into a major tool of the machine shop. This is one of the steps in the production of grinding wheels —meeting the requirements of the metal industries everywhere.

NORTON COMPANY · WORCESTER · MASSACHUSETTS · U · S · A

The New York Trust Company

Capital, Surplus and Undivided Profits $47,000,000

DOMESTIC
and
FOREIGN BANKING
FACILITIES

CORPORATE
and
PERSONAL TRUSTS

---

100 BROADWAY
40TH STREET AND MADISON AVENUE
57TH STREET AND FIFTH AVENUE

This WORLD CRUISE has a "5th ACE"

Yama, "King of Hell," as impersonated by a Buddhist Lama

INDIA
Bombay to Darjeeling, Taj Mahal to Madura . . . . .

•

MADEIRA
Basket-sleds . . . .

•

ALGIERS
Secret streets . . .

•

ATHENS
Temples Acropolis

•

BETHLEHEM
for Christmas . . .

•

CAIRO
New Year's Eve . . .

•

CEYLON
Spices, elephants

•

SUMATRA
Exotic Padang . . .

•

JAVA
Bamboo music . . .

•

SIAM
Court dancers jangling in gold . . .

•

CHINA
Color . . . people

•

JAPAN
Geishas, gardens

•

AND 10
other countries . .

In 137 days. From $2000 . . .

YOU SAIL when winter comes . . .

•

DEC. 2,
from **NEW YORK**

• **NOT** only (1) a 137-day itinerary which concentrates on high-spots . . . (2) a cruise-calendar which follows spring around the world . . . (3) a distinguished ship of 21,850 gross tons, Empress of Australia . . . (4) a cuisine of New York-Paris standards, a service of kindly, personal interest . . . not only these but also the one and only "5th Ace" in world cruising. • This "5th Ace" is Canadian Pacific's world net-work of rail, ship and hotel . . . the entrée established through Canadian Pacific's offices in key cities of the globe . . . the "know-how" of the world's greatest travel system. That is why . . . you have nothing to do but enjoy. • Why not send for booklets, ship plans? Your own agent or any Canadian Pacific Office: New York, Chicago, Boston, Montreal and 31 other cities in United States and Canada.

WORLD'S GREATEST TRAVEL SYSTEM

Canadian Pacific

New Indian-detours

Most distinctive motor cruise service in the world

THE DELUXE WAY — by Cadillac Harveycar — of visiting the hidden primitive Spanish Missions, old Mexican villages, colorful Indian pueblos, prehistoric cliff-dwellings and buried cities — all set in the matchless scenery and climate of the Southern Rockies. Service is the equivalent of motoring with the finest of private facilities. Specially equipped Cadillac Cruisers are used. Driver-mechanicians are Harvey trained, and a private courier accompanies each party, limited to four guests to a single car.

The Frijoles-Puye Indian-detour

TWO DAYS FORTY DOLLARS Old Santa Fe with nights at unique La Fonda. Primitive Mexican Settlements in Pojoaque Valley, Santa Clara and San Ildefonso Indian pueblos. Frijoles Canyon and the cliff-dwelling ruins of Puyé.

The Taos Indian-detour

THREE DAYS SIXTY-FIVE DOLLARS The Frijoles-Puye Indian-detour in full, with luncheon under the Puyé cliffs on second day — thence to Taos Indian pueblo, overnight at famous Taos town, and the Rio Grande gorge on the return.

There are a score of other Indian-detours, formerly known as Harveycar Motor Cruises, to every out-of-the-way corner of New Mexico and Arizona

A Day in Old Santa Fé

24-hours, train to train. Tesuque Indian pueblo and 60 miles by Harveycoach. $12.50 all-inclusive

Santa Fe — Harveycars

The individual rate includes every expense en route — motor transportation by Harveycar, courier service, meals, hotel accommodations with bath.

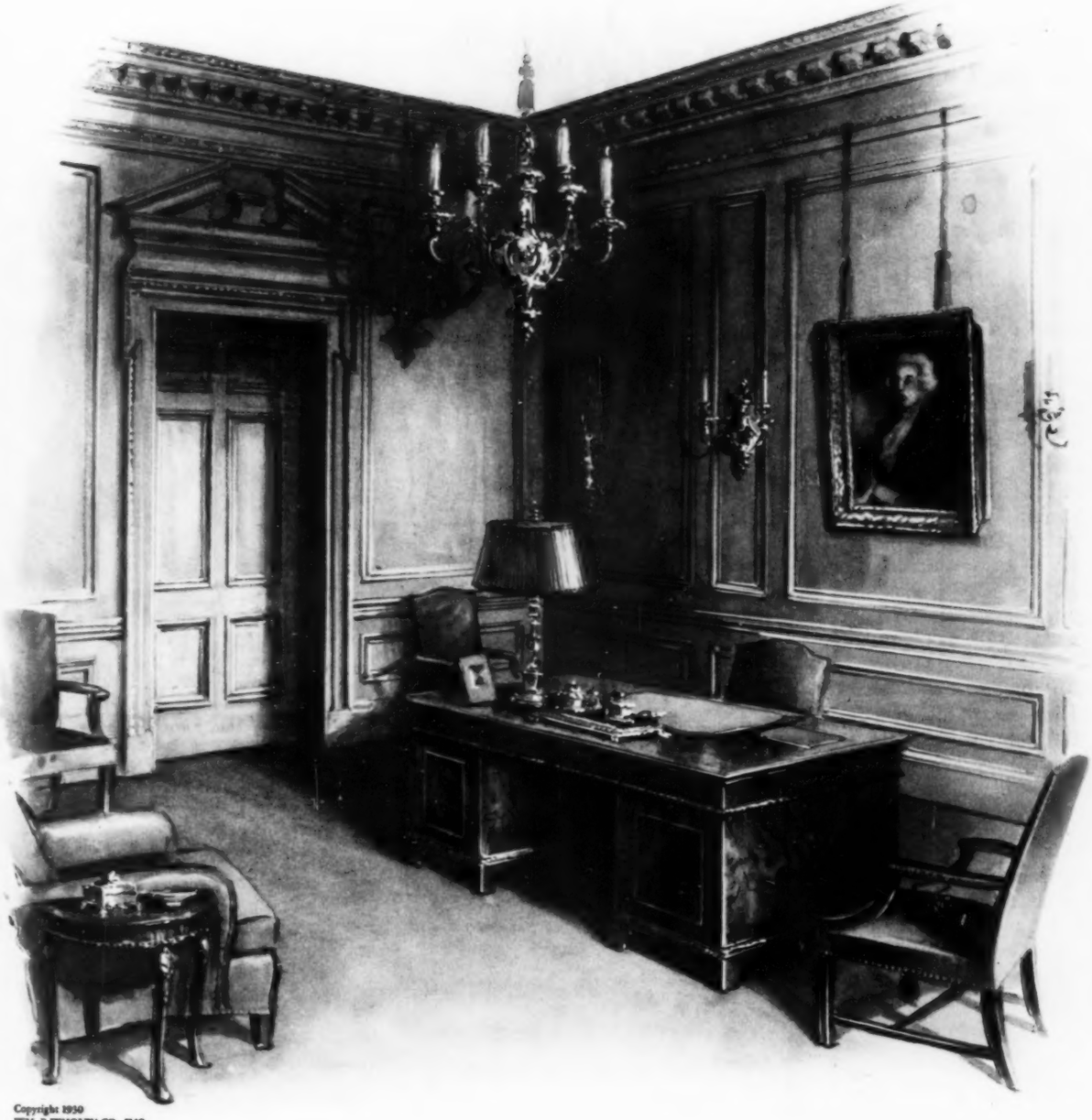
Eastbound or westbound, these distinctively new Indian-detours will commence and end at Lamy, New Mexico, on your Santa Fe way to California.

clip and mail ▶▶▶

HARVEYCAR INDIAN-DETOURS, 1265-A Santa Fé, New Mexico

Please send free copy of Indian-detours booklet and map.

Name _____ *Address* _____



Copyright 1930
WM. F. WHOLEY CO., INC.
New York City

A MAN'S OFFICE, like his home, should reflect his tastes, suit his temperament and harmonize with his type of business.

Through years of experience in the creation of interiors for executives, professional men and corporations, our designers have attained a rare faculty of interpreting the individual needs of each client in terms appropriate to his calling.

In addition to designing, our service includes the expert planning of office space, selection of furnishings and the execution of every detail.

The William F. Wholey Co. Inc. ⟨*Equipment Specialists*⟩ 11 East 36 St. New York

Sensitiveness

Expressing the *Spirit* of Business

Sensitiveness in Business is the most delicate of magnetic needles. It *gets* the coming of opportunity, or the slightest change in conditions, personal or material; and inspires management to respond with action—*before* the cause.

Some call this Sensitiveness brains, vision—even luck. It is none of these. Not mind, not matter, but rather the *Spirit* of Business—the element required for supreme accomplishment. Check up the outstanding successes, and you will find this human magnetic needle, Sensitiveness, at the controls. It gives Business its *Spirit*, its keenness; makes work fascinating and satisfying.

Modern Accountancy recognizes and applies Sensitiveness as one of the most vital of human attributes in business. It does not manufacture it. But it does *inspire* it.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

AKRON	GRAND RAPIDS	PORTLAND, ME.
ATLANTA	HOUSTON	PROVIDENCE
BALTIMORE	HUNTINGTON, W. VA.	READING
BIRMINGHAM	INDIANAPOLIS	RICHMOND
BOSTON	JACKSON, MISS.	ROCHESTER
BUFFALO	KALAMAZOO	ST. LOUIS
CANTON	KANSAS CITY	ST. PAUL
CHICAGO	LOS ANGELES	SAN ANTONIO
CINCINNATI	LOUISVILLE	SAN FRANCISCO
CLEVELAND	MEMPHIS	SEATTLE
COLUMBUS	MIAMI	TAMPA
DALLAS	MILWAUKEE	TOLEDO
DAVENPORT	MINNEAPOLIS	TULSA
DAYTON	NEW ORLEANS	WACO
DENVER	NEW YORK	WASHINGTON
DETROIT	OMAHA	WHEELING
ERIE	PHILADELPHIA	WILMINGTON, DEL.
FORT WAYNE	PITTSBURGH	WINSTON-SALEM
FORT WORTH		YOUNGSTOWN

Many Good Securities

Are NEVER *Listed*

COUNTLESS investment issues find their way into the strong boxes of shrewd investors, which are not listed but have excellent markets, such as bank and insurance stocks and the securities of many sound and long established American business enterprises.

In our Investment Department, experienced traders are available at all of our nine offices, who are in daily touch with the leading "counter" markets of the country and who, with the aid of our private wire system, will obtain for you, QUICKLY, the correct market for your unlisted stocks or bonds.

Prompt personal attention to orders or requests for market prices on unlisted securities will be given if you will telephone or telegraph our Investment Department at the nearest office

HORNBLOWER & WEEKS

ESTABLISHED 1888

BOSTON	NEW YORK	CHICAGO	CLEVELAND
DETROIT	PROVIDENCE	PORTLAND, ME.	PITTSBURGH

Members of the New York, Boston, Chicago, Cleveland, Pittsburgh and Detroit Stock Exchanges and the New York Curb Exchange

Tailoring to Tycoons

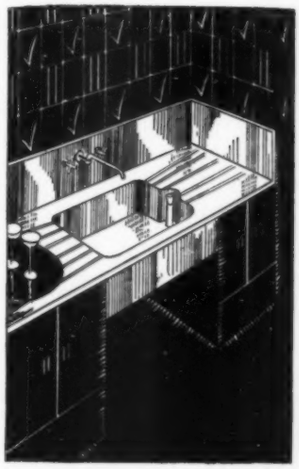
Accredited supremacy in the art of putting individualism into gentlemen's attire for all occasions.

Alfred Nelson Co.

Established 1888

580 FIFTH AVE. NEW YORK

Your Butler's Pantry Is an ATELIER—

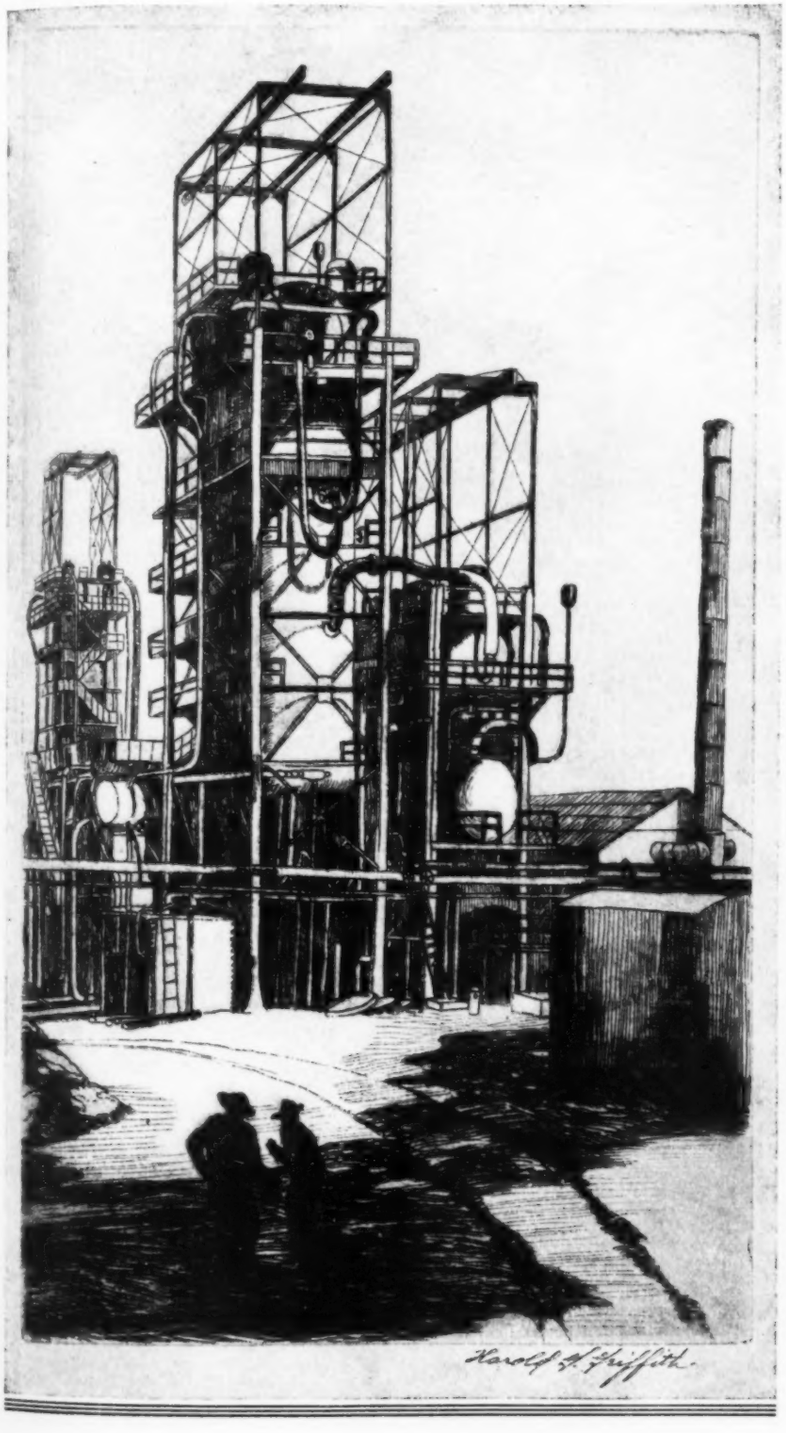


—and your butler is the artist. Provided, of course, that he has those facilities that inspire the creation of culinary masterpieces and allow them to be achieved. • • A copy of "Butler's Pantry Sinks by Elkay" will suggest many ways of improving your service, and will be sent upon request.

ELKAY

4707-4717 Arthington Street
Chicago

IF YOU WANT CHEAPER FUEL



CLEVELAND'S fuel sources are near at hand, diversified in kind, inexhaustible in amount, and high in quality. They assure you cheap, competitive and reliable supplies of fuel.

¶ Several of the nation's most important coal fields are located within 90 to 250 miles of this city, and are tapped by five of Cleveland's seven railroads. The city is also the focus of a great natural gas region, with gas of high B.T.U. content always readily available at reasonable prices.

¶ Ten or more nationally known oil companies operate at Cleveland, two of them with local refineries and pipe line connections. Fuel oil is always available in quantity at favorable prices.

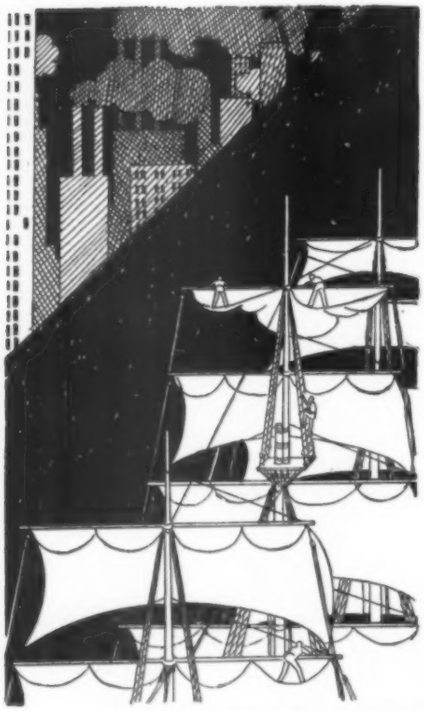
¶ Fuel is one of the ten important factors in the selection of a business location. For specific data regarding fuel costs at Cleveland, address this Bank.

GUARDIAN
TRUST COMPANY
CLEVELAND, OHIO

RESOURCES MORE THAN $170,000,000

©G. T. Co.

THE CRACKLY SAILS OF MODERN COMMERCE



Crisp new bills—here today and gone tomorrow—but giving you a brief feeling of pride . . . as they come and go.

So with checks; only the pride is greater because they are your PERSONAL medium of payment. Because they express your pride in your business . . . in your personal affairs . . . in your bank.

Checks made on La Monte Paper are safe and durable. They have every stout quality that good checks should possess. But beyond that they have a substantial dignity that favorably reflects the standing of the man who signs them.

Does your bank favor you with La Monte checks? George La Monte & Son, 61 Broadway, New York City.

The wavy lines instantly identify La Monte National Safety Paper—the STANDARD in check papers.

LA MONTE
NATIONAL SAFETY PAPER
FOR CHECKS

WHITAKER & Co. INC.

SPORTING AND GENERAL TAILORS

666 FIFTH AVENUE
NEW YORK

AND AT 43 CONDUIT STREET LONDON W.

SWC
A NATIONAL ORGANIZATION FOR CONSTRUCTIVE SERVICE

Salesmen's Compensation

A helpful study of this subject will be sent to interested executives. Selling Costs, Sales Quotas, Expense Budgets, Application of Expense to Products, and Basing Pay on Profits are among points discussed.

Scovell Wellington and Company

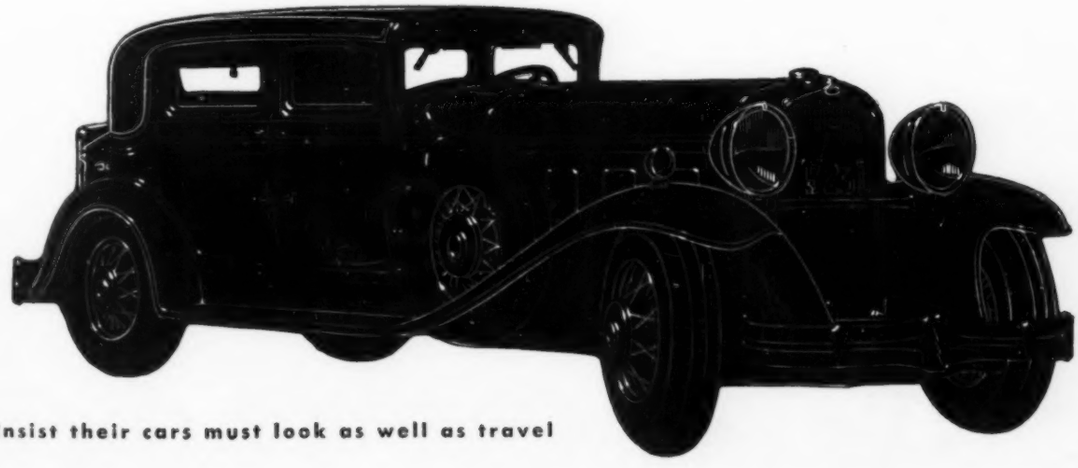
ACCOUNTANTS • ENGINEERS

10 East 40th Street, New York City

BOSTON SPRINGFIELD · CLEVELAND SYRACUSE · CHICAGO KANSAS CITY · PHILADELPHIA SAN FRANCISCO

MARMON

Since the early days of the motor car, Marmon has meant progressive thinking ✦✦✦ **Never has that been more conclusively demonstrated than today** ✦✦✦ **Nearly four years ago, in the heyday of the Six, Marmon turned decisively to the** straight-eight ✦✦✦ Improved and simplified it ✦✦✦ Added modern meaning, modern looks, modern comfort ✦✦✦ **Built into it Marmon individuality of style** ✦✦✦ **Now there are four great Marmon Straight-Eights in four great price fields—the** Big Eight, **the "Eight-79",** the "Eight-69", **and the Marmon-Roosevelt** ✦✦✦ **Each an automobile for those who insist their cars must look as well as travel**



in the modern manner ✦✦✦ Marmon Motor Car Company, Indianapolis

Kauai
Niihau
Oahu
Aloha!
Molokai
Lanai
Maui
Kahoolawe
Hawaii
SUMMER FUN
IN
HAWAII
For copy of this map in colors, or for full information regarding summer vacation tours to Hawaii, write to
Hawaii Tourist Bureau
(HONOLULU, HAWAII, U.S.A.)
1123 MONADNOCK BLDG., SAN FRANCISCO
or MATSON LINE, SAN FRANCISCO
or LASSCO LINE LOS ANGELES
CALIFORNIA

$800,000 in Advertising

ON A CLASS PRODUCT AND ON A MASS PRODUCT

Based on Copy Tests

IN THE early days of advertising, companies prospered by the aid of native wit alone. That time has passed. Today consistent results demand more.

Here are two simple examples of the use of advertising tests in the drug field:

The Class Product: The fundamental sales message had been determined. The problem was to discover which was the best of four styles of presentation. There were the Speed-Convenience approach, the News-Scientific approach, the Sex approach, and the Negative approach.

Four advertisements were prepared, identical in every feature except the headline and illustration. In order to insure maximum returns and maximum accuracy, the free offer of a full-size bottle of the product was buried in the copy.

The four advertisements appeared in the same newspapers in four cities, on the same days, and in corresponding positions. The sequence was staggered to compensate for both priority and cumulative factors.

The results in each city were found to be substantially similar. The four ideas rated as follows: 83, 89, 99, 100.

On the basis of these results, national advertising was prepared, which is now establishing a new level of results in both coupon-response and sales volume.

So much for a class product. The following is an epitome of a test campaign for a mass product used in 15,000,000 homes.

The Mass Product: This product has thirty uses, but nine predominate. Since actually two billion advertising impressions were to be made in 1930, the correct allocation of the appropriation *by uses* was the *sine qua non* of efficiency in the campaign.

Nine test advertisements were prepared, as equal as possible in every factor of appearance and copy except the *use* featured. The scheduling of these 81 insertions in nine cities was done with equal impartiality.

The results were definitive. If the leading use is rated at 100, the series stood in this order: 68, 77, 79, 82, 88, 91, 92, 99, 100.

A supplementary test on this same product had to do with six different *types of presentation*. Here the use advertised remained constant, and as before, the advertisements were run under equal conditions. Their ratings were: 45, 70, 79, 95, 99, 100. Type No. 100 is now appearing in newspapers with 6 million circulation, and if a further test now in progress verifies the foregoing conclusions, future plans will be prepared accordingly.

By utilizing the two results it was possible to spend on each use the exact amount that its proven sales appeal warranted and to feature the various uses in the most effective type of presentation.

IN any campaign there may be elements of chance which research and test can eliminate or reduce. But apart from this, the aggregate importance of even slight improvements in campaigns of immense circulation, makes a 3% outlay on research, to say the least, an investment to consider.

Such service on our part is laborious. To plan, execute and analyze a searching test of advertising may entail as much work as planning an entire campaign. There are no immediate profits for the agency in any degree commensurate with the effort involved. That we render such service is due in part to the unusual fee system under which we work. The advantages of this system in the direction of an unbiased service are obvious; the funds available for service are applied to those activities which will produce for the client maximum returns on his outlay.

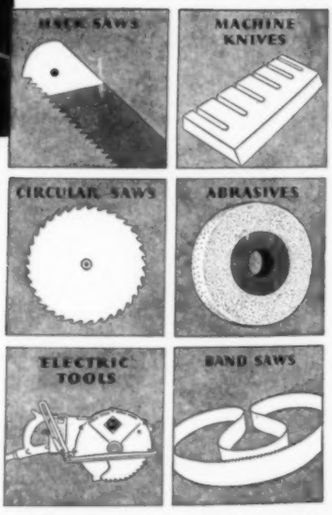
We shall be glad to furnish information about these campaigns to business executives and bankers who may be interested.

COWAN & DENGLER

ADVERTISING • MERCHANDISING • SALES COUNSEL

NEW YORK

whose Masterpiece... *is this Doorway?*



Masterpieces...like Simonds cutting edges, are the products of Master Craftsmen

AS you admire the rare charm of this beautiful entrance . . . as you note in every detail the work of master craftsmen . . . give credit to the superior Simonds cutting edges that made this masterpiece possible.

From tree to home, Simonds products have performed a significant service. In the vast timberlands, Simonds cross-cut saws felled the trees... Simonds band and circular saws transformed the giant logs into valuable lumber. In the mill with ease and precision, Simonds planer knives produced surfaces of satin-like smoothness. Even the delicately traced ornamental designs you see in the finished doorway were made with Simonds wood-cutting saws. As the world's largest saw manufacturers, Simonds Industries have helped speed the production of countless products in practically every country in the world.

Simonds Industries, comprising eight factories, a steel mill, fifteen sales branches and a nation-wide chain of service stations, rank as one of the larger business units in the United States. The size and scope of the Simonds organization suggest the quality and the service available to users of high quality cutting edges.

SIMONDS INDUSTRIES
World's Largest Saw Makers

Boston . . Mass.
Memphis . Tenn.
Seattle . . Wash.
Chicago . . Ill.
Detroit . . Mich.
Portland . . Ore.
New York . . N.Y.
New Orleans . . La.
Atlanta . . . Ga.
San Francisco . Cal.
Los Angeles . Cal.

SIMONDS SAW AND STEEL COMPANY

Established 1832 - FITCHBURG, MASS.

Producers of Circular, Band, Metal, Cross-Cut, Gang and Drag Saws... Machine Knives... Files... Hack Saw Blades... Tool Holder Bits... Saw Tools... Discs... Steel.

AFFILIATED COMPANIES

WAPATT, INC., Pittsburgh, Pa., *Manufacturers of Portable Electric Saws and Tools*—THE ABRASIVE CO., Phila., Pa., *Producers of Abrasive Grinding Wheels and Polishing Grain*—SIMONDS GUARANTEED CUTTER-HEAD CO., Seattle, Wash., *Manufacturers of Guaranteed Cutter-Heads.*

BACK OF THE EDGE . . THE STEEL . . . BACK OF BOTH . . SIMONDS

ILLUSTRATED IS THE F-32, WHICH CARRIES 30 PASSENGERS AND TWO PILOTS

25,000,000 MILES IN THE AIR

A CLOCK ticks off the awaited second. A giant Fokker roars down the runway. It leaves on time. It will arrive on time. It may point its nose over the Rockies or other mountainous terrain. It may speed over the Caribbean Sea, out of sight of land. It may run into high winds or storm, fog or darkness. But those who loll in its comfortable cabin can habitually rely on reaching their destination more promptly and safely than in any other plane. For Fokker planes have written in the sky a record of *twenty-five million miles* of dependable travel. On one transport line alone they have flown over four million miles with never a serious mishap. A stupendous record, indeed, but based on the solid facts that Fokker has built more planes than any other manufacturer on earth, that Fokker planes have made twice as many of the famous pioneering flights as any other make of plane, and that Fokker genius and Fokker experience are now supported by the vast scientific and production resources of the largest industrial organization in the world. When you, therefore, want to go somewhere speedily, enjoyably and safely, you will be wise to fly in this plane which has proved itself today to be the plane of tomorrow.

For the use of business executives, for pleasure, and for transport use, Fokker now makes ten different models of airplanes: single and multi-engined types, land planes, sea planes, flying boats, amphibions. Requests for information or demonstration are invited, and will be promptly answered. Fokker Aircraft Corporation of America, General Motors Building, New York.

FOKKER

AFFILIATED WITH GENERAL MOTORS CORPORATION

CAUSE

In the first product it ever manufactured—which happens to have been rubber tires for horse-drawn carriages—Goodyear made its bid for business not only from America, but from the world.

It did so by striving then, just as it still strives today, to include in Goodyear merchandise that extra measure of goodness and value which, commercially, makes the whole world kin.

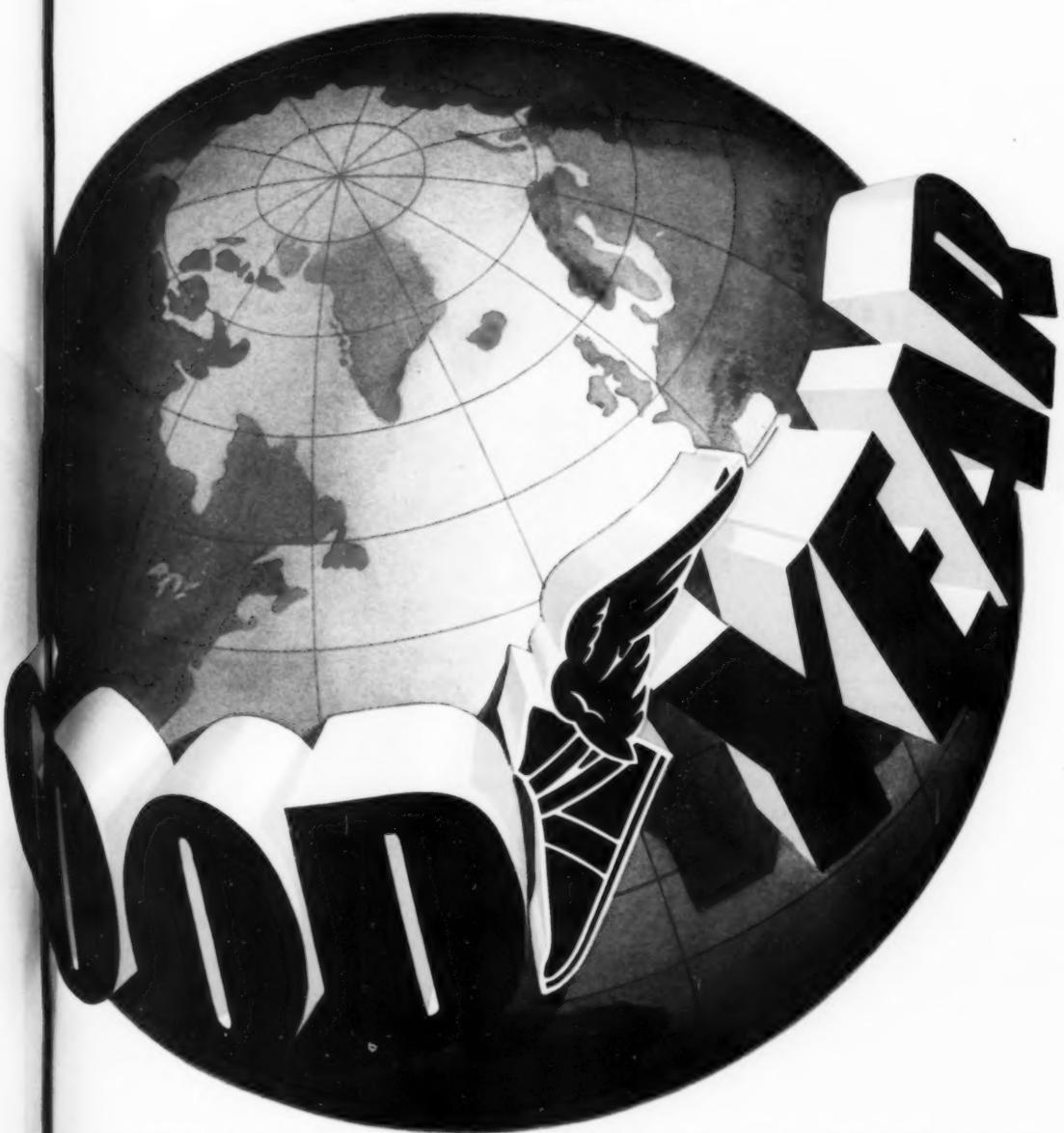
As Goodyear has grown at home, therefore, likewise has it grown abroad, until now it is true throughout the world as a whole that "more people ride on Goodyear Tires than on any other kind".

The largest rubber company on earth, Goodyear yet continues to build each product as if upon it depended its whole reputation, sparing nothing to insure that matchless quality which is the true source of leadership.

F. A. Litchfield

President

RESULT



Goodyear factories, Goodyear products, Goodyear service—girdle the world. In the export as in the domestic markets, Goodyear is the greatest name in rubber, and Goodyear quality is the same everywhere, every Goodyear product being built to identical specifications in all plants. Goodyear manufactures rubber products at Akron, Ohio; Los Angeles, Calif.; New Toronto, Ont.; Bowmanville, Ont.; Sydney, Australia; Wolverhampton, England; and Gadsden, Ala. Goodyear operates textile mills at Los Angeles, Calif.; Goodyear, Conn.; Cedartown, Rockmart, and Carterville, Ga.; New Bedford, Mass.; and St. Hyacinthe, Que. Goodyear operates cotton plantations in Arizona; rubber plantations in Sumatra, Dutch East Indies, and Philippine Islands; a coal mine at Adena, Ohio, and has recently completed at Akron, Ohio, the world's largest airship factory and dock, wherein is being built for the U. S. Navy the greatest airship the world has ever seen.

Copyright 1930, by The Goodyear Tire & Rubber Co., Inc.

Luxurious Transportation

The valiant Norsemen sailed to new continents in the staunchest, swiftest and most luxurious craft known to their civilization

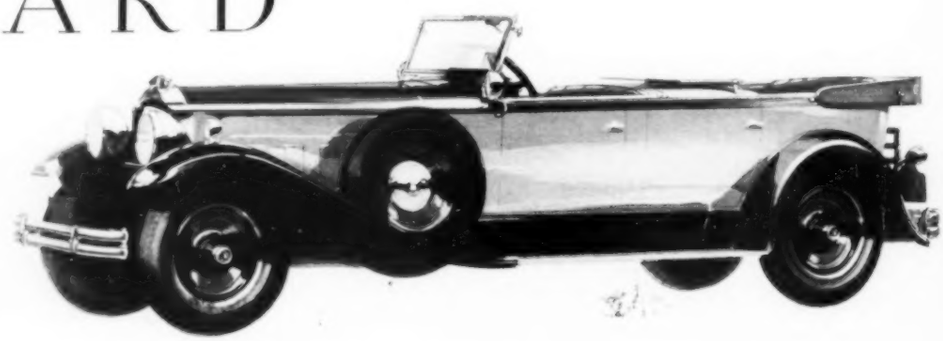
FROM its first pioneering efforts Packard has built its motor cars for conquest—conquest of the fine car field! And as the fine car market grows with the natural increase of taste and discrimination among motorists, Packard leadership becomes more marked.

The slender grace of Packard lines has always attracted the favor of the discerning—contributed to the winning of a distinguished clientele. And in the Packard Eight Phaeton—so popular in the open-air, open-road seasons—Packard beauty reaches its most graceful expression. It is only natural that the characteristic Packard design should appeal so strongly. For behind Packard beauty itself lies the satisfying assurance that Packard does not depreciate cars in the hands of owners by frequent and radical changes in appearance. Every Packard—whether new or old—is always unmistakably a Packard!

Supreme safety, the luxury of superb performance and *beauty that is always modern* will be yours in a Packard for many long years of truly distinctive transportation.

ASK THE MAN WHO OWNS ONE

PACKARD



Volume I

Fortune

Number 4

Contents for May 1930

Peacock Throne 38
Gold 39
R. R. Electrification. . . . 46
Atterbury 47
Fox 48
Wine 50
Times v. Times 56
I. P. & P. 65
Cows 73
Backyards 77
Macy 82
Straus 84
Vanderbilts 87
$17,000 96
Field, Glore 104

• • •

Off the Record 8
Statistics 18
Transactions 94
Faces 97

for June

Cotton · · · Allied Chemical & Dye · · · Diesel
Soy Beans · · · · · The Fleet
Suitings · · · · · Wiggin · · · · · Cigars

Editor, Henry R. Luce; Managing Editor, Parker Lloyd-Smith. Associates: John Shaw Billings, Margaret Bourke-White, L. S. Goldsborough, Wilder Hobson, Florence Horn, Alan Jackson, E. D. Kennedy, Dwight Macdonald, John S. Martin, Charles L. Stillman, Eleanor Treacy, Myron Weiss. FORTUNE is published monthly by TIME, INC.: Henry R. Luce, President; R. L. Johnson, Roy E. Larsen, Vice Presidents. Publication Office, 205 East 42nd St., New York City. Yearly subscription rate, $10. Single copy price, $1. Advertising Manager, F. Du Sossoit Duke.

Copyright 1930 by TIME, Inc. All rights reserved under the Convention on Literary and Artistic Copyrights between the U. S. A. and the Argentine Republic and other countries proclaimed July 13, 1914.

THE GOLDEN, GEM-STUDDED PEACOCK THRONE OF PERSIA, ITS HISTORY NOW LOST IN THE CONFUSED LEGENDS OF DEAD DYNASTIES, ONCE MORE ENTHRONED A KING WHEN RIZA KHAN PAHLAVI ASSUMED THE PERSIAN CROWN

Gold, Metal and Money

Gold standards psychological and gold standards economic. What part is played by the Ridge of the White Waters and why, from time to time, gold leaves home.

THERE are metals rarer than gold and more precious. But no other substance remotely approaches gold in its grip upon the imagination of mankind. We do not speak of the Platinum Rule or of the Radium Gate. We discuss, instead, golden days and golden youth and golden weddings and a golden future. It is gold that makes the king's crown and the miser's hoard. Gold is superior to changes of chemistry and of commerce. It remains the universal symbol of riches, the inevitable metaphor of wealth. And in addition to its psychological prestige, gold remains the solid and unsentimental foundation on which the world's structure of currency and credit is built today.

Yet, although an adequate supply of gold is essential to contemporary civilization, and although the constant expansion of world trade and therefore of world credit calls for a continually increasing use of gold, there are only a few spots in the earth's surface from which gold can be profitably extracted. More than half of the gold produced in the world today comes from one reef of gold-bearing rock—a reef known as the Witwatersrand (Ridge of the White Waters), located about 1,000 miles north of the Cape of Good Hope and about 500 miles inland from the African East Coast. Many thousands of years ago the site of what is now this buried rock was the delta of a great river which, rising somewhere in Central Africa and running through gold-bearing regions, washed the gold of its basin down to its mouth. After the river had dried up and the arms of its delta had hardened into rock, covered over with many layers of younger earth, some internal convulsion tilted up the gold-bearing strata so that at one point it was forced to the earth's surface. In 1886 one George Walker, who was helping a Dutch farmer build a house, stumbled upon this outcropping of the main reef, and in the intervening forty-four years the Rand Mines have produced more than five billion dollars worth of gold. Since 1905 they have been the world's greatest gold source; for the last ten years they have yielded approximately one-half the world's new gold; and in 1928, out of a world production of 19,674,638 ounces of pure gold, the Rand production totaled 10,352,000 or approximately 52 per cent.

The Rand 1928 production was the largest in its history, but the arc of the curving reef has already been followed six thousand feet down below the earth's surface, and a point of decline and a point of exhaustion are inevitably approaching. Conceding the Rand another fifty years of production (and a hundred years is a very long life for a gold field), the question obviously arises as to where gold will then be found. The United States, although still second in world production, produces today less than half its 1915 production, and Australia, another great 19th century producer, is also rapidly declining. Economists estimate that the world's stock of gold should increase at the rate of 3 per cent a year, but not since 1915 has this ratio been realized and the 1915 production of 22,737,520 ounces has never since been duplicated.

Economists with a flair for prophecy have therefore found in the possible future exhaustion of the world's gold resources a major worry for the coming generations. Up to the present time, gold famines have been national rather than international, caused by the flow of gold from one country to another, and experienced by those countries which were unable to keep their share of the world's gold from emigrating toward greener and more prosperous pastures. The larger question of gold conservation (or the larger problem of gold exhaustion) of course concerns itself not so much with a condition in which one country has more gold than another as with a condition in which no country has gold enough. And such an economist as Irving Fisher believes that this world gold famine will set in within a few years, resulting in price declines and business depressions in even the immediate future.

This alarmist theory is based not only on the decline of world gold production from its peak of 1915 and upon the expansion of world commerce, an expansion interrupted by the World War but since resumed, but also upon the diversion of gold for industrial uses and also upon the loss of gold through the hoarding habits of its oriental collectors. With the monetary supply of gold equal to about ten billion dollars and the yearly production equal to about four hundred million dollars, the world's demand for new money would be adequately met if the entire four hundred million were used for money. But of the $409,000,000 of new gold produced in 1928, only $246,000,000 (approximately 60 per cent) was available for money, the other $163,000,000 being used either for industrial purposes or going out of circulation into Indian or Chinese hands.

The most important industrial user of gold is of course the jeweler, although fortunately platinum has partially superseded gold as the approved setting for diamonds. Pencils, pens (including fountain pen points), watches, watch chains, lockets, charms, and miscellaneous trinkets continue, however, to constitute a demand for gold. Hollow-ware (gold plate, loving cups, cigarette cases, picture frames, and the like) is another industrial form of gold consumption, although here silver (costing one-seventh or one-eighth as much as gold) is a much more popular material. Amateur athletes, for instance, win cups of silver but medals of gold.

Another important gold user is the dental profession, since gold, malleable and noncorrosive, can readily be hammered into tooth cavities. Dentists buy filling gold in little buttons, called pennyweights, priced at about $1.50. Inasmuch as a whole pennyweight may go into one tooth, a person with eight or ten gold fillings may have in him gold to the value of twelve or fifteen dollars. Some of this gold is reclaimed (by peddlers who purchase from dentists extracted teeth with gold fillings), but most of it goes to the grave with its owners, constituting, in the aggregate, one of the largest classifications of lost gold and provoking occasional cases of body snatching.

The largest source (from the economist's standpoint) of wasted gold is, however, the hoarded gold of oriental, especially Indian, potentates. The Indian, still confusing wealth

with cash, values gold for its own sake, using it to decorate his shrines and his women, and particularly hoarding it in the form of gold coin or gold bullion. A San Francisco bank, for example, does a brisk trade in handy little five ounce gold bars (worth $100) made up especially for the oriental trade. In 1928 British India imported $76,007,000 in gold, a large portion of which went to warm the heart and delight the gaze of various rajahs, but might as well not ever have been mined as far as concerns the world's stock of circulating money. Similar hoarding, though not on so large a scale, is common also in China and in Egypt.

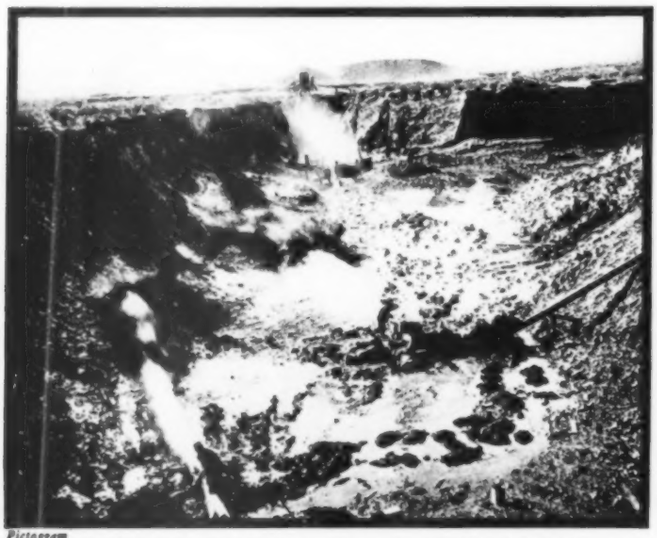
Meanwhile the gold mines of the Rand continue at peak production, and the nations of the world have not in general shown any marked agitation regarding gold exhaustion. It is true that the Rand reef represents an unfortunate concentration of the world's gold, that no other comparable fields are at present in production, and that the Rand fields may conceivably give out before adequate replacements are discovered. On the other hand, there is always the optimistic argument that a great new gold field may in any year be opened. Perhaps this year or next year or the year after, a house builder in Africa or Russia or Asia or Canada may stumble upon another gold field equal to or greater than the gold fields of the Rand. Since 1493 the world has produced gold worth about $21,120,298,527, one-half of which has been produced since 1902. Economists in 1493 might have been worried about the world's gold, and the discovery of American gold would have allayed their forebodings. In the middle of the 19th century, another gold famine might logically have been expected, and then came the Forty-niners and the gold rush to California. And in the last quarter of the century, even before the North American fields had been completely exploited, the South African discoveries moved the vanishing point of gold to an undeterminable but distant date. The attitude that "the Lord will provide" is apparently no very intelligent point of view upon which to erect so vital an edifice as the world's credit structure. Yet thus far, at least, it has always been justified. Without denying the possibility of a gold shortage in years to come, it would appear that a discussion of disastrous failures in the world's gold supply for the time being, at least, belongs more to the field of prophecy than to the field of economics.

Meanwhile, it is the flow of gold between countries that is currently the source of greatest concern. In 1928 and 1929 London experienced a gold shortage, not because of a world famine in gold but because of gold concentration in Paris and in New York. And although the end of the 1929 "bull" market in American securities temporarily readjusted gold distribution, by March, 1930, gold was again moving toward the United States. The international movement of gold (discussed below) is the most pressing of gold problems.

Should a shopper at Macy's or Wanamaker's hand a salesgirl a shilling, a franc, or a mark, it is extremely unlikely that the money would be accepted. Neither would American currency be welcome in London, Paris, or Berlin had not the notorious wealth of Uncle Sam given his monetary units an almost transcendental character. On the whole, however, every country exhibits a determined and a logical preference for the coin of its own realm. You may not approve the foreigner's culture. You may not even speak his language. But when you do business with him, you must translate your currency into his. Money is one of the ultimate strongholds of nationalism.

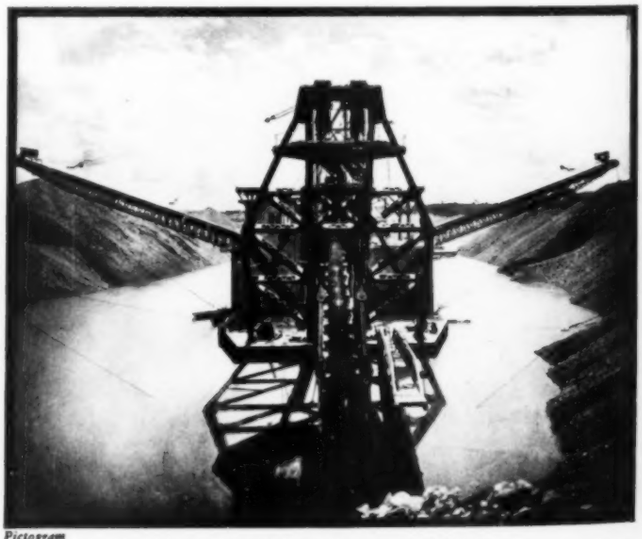
Since, then, British textiles must be purchased with pounds and French silks with francs, what is the obviously necessary common denominator of all currencies? What is that Esperanto in which money internationally talks? Evidently it is gold, for today nearly every civilized country (China and Mexico are notable exceptions; Japan a recent recruit) bases its financial system upon the gold standard. Without a world-wide gold standard, international trade would be severely handicapped. Gold may indeed be partially defined as that substance which constitutes the medium of exchange in world commerce.

The adoption of a gold standard pledges the adopting country to the maintenance of a gold reserve back of its structure of currency and credit and to a willingness to exchange its notes for gold at their face value. A complete gold standard also implies that there will be no official restrictions upon gold imports and exports, although Canada has at present a gold embargo and in England there has been a definite public opinion against gold exportation. The essential of a gold standard is, however, the maintenance of a gold reserve with which to redeem paper currency at par.



Pictogram

A MAN-MADE RIVER WASHING DOWN GOLDEN SANDS



Pictogram

A DREDGE THAT DIGS IN GOLDEN MUD

The immediate necessity for such a reserve is of course the need for inspiring the citizens of a nation with confidence in their own currency. The proverbial "not worth a Continental" is a reminiscence of the financial difficulties experienced by the infant United States and the inability of the Continental Congress to make good its paper promises to pay. The entire system of modern credit depends upon a gold foundation which supports a structure of wealth many times as large as the actual cash reserve. In the United States, for example, currency and bank deposits are about fourteen times as large as the gold reserve. In England they are about nineteen times as large. Throughout the world they are about eleven times as large, the lesser breeds without the banking law pulling down the average. Yet the American credit structure is not in the least precarious because of the fourteen-to-one ratio already noted. For the gold reserve actually maintained is ample for all demands made upon it. As far as transactions between American citizens are concerned, the existence of the reserve is automatically conceded, and no American is tempted to take a twenty dollar gold note to Washington to see if he can really get metallic gold for it. So smoothly has our credit system worked, indeed (and before the war so also worked the credit systems of Europe), that there were even those who argued that no gold basis was needed and that the State could create money in the same manner that the Lord created illumination. But of course *fiat* money made small sense even from a national standpoint and internationally made no sense at all.

Publishers Photo Service
THE "PAY DIRT" OF THE FORTY-NINER

For there is no compelling reason why a subject of King George should accept a demand note signed by Andrew W. Mellon or why a citizen of the United States should place an unshakable confidence in the IOU's of the British Crown. Nor is there any necessity for such an international faith. The United States of America has ordained that in every gold dollar there shall be 23.22 grains of gold, and His Majesty's Government has ordained that in every sovereign there shall be 113.0016 grains of gold. The quantity of gold in a sovereign is equal to 4.8665622 times the quantity of gold in a dollar. Conceiving, therefore, of both units in terms of their gold content, we have at once a common denominator for international currency. For gold is superior to all flags and to any country, and has a value independent of the American eagle stamped upon it today just as it had a value independent of the Roman emperors stamped upon it in the days of the Cæsars.

If there were never any financial dealings between Great Britain and the United States, or if the balance of trade and credit between the two countries were exactly even, the pound would always be worth exactly $4.8665622. But as there always is trade and the balance is never even, the $4.8665622 figure (called the "mint par") never exactly holds. Suppose, for instance, that an English bank owes an American bank $486,656. According to mint par, the English bank would buy $486,656 with 100,000 pounds and thus obtain the American money with which to pay its American debt. But dollars, bought in this manner, are a commodity, just as cotton and wheat are commodities, and are similarly responsive to conditions of supply and demand. So when a great many English banks are buying dollars with pounds, and when these purchases outweigh the purchases of pounds with dollars that American banks are making at the same time, then the demand for the dollar is greater than the demand for the pound. Furthermore, the price of the dollar (in terms of pounds) increases. Therefore the British buyer will have to pay more pounds for his dollars, so that a pound will not buy $4.866 but may buy only $4.766 or $4.666. During the worst period of England's post-War depression the pound would only buy $3.20. England has now brought the pound back to par and the pound-dollar ratio fluctuates chiefly in fractions of cents. But even a difference of a fraction of a cent makes a large difference in transactions involving thousands and totaling millions.

The variation in exchange ratios is indeed the immediate cause of gold movements between countries. We have already

Publishers Photo Service
WORKING A GOLD MINE IS JUST WORK TO THE GOLD MINER

Publishers Photo Service
TAILINGS—SAND LEFT AFTER ITS GOLD IS GONE

seen that the London banker can discharge an American debt buy purchasing dollars with pounds. Such a transaction does not involve the actual shipment of gold. But if the London banker chooses, he can take gold in ingot form, ship it to this country, and with it establish for himself a credit in dollars. In other words, instead of turning his money into our money, he can use the gold which is the foundation of both moneys and have it changed directly into United States currency. He will not, however, ship gold when the pound stands at par with respect to the dollar. For in addition to transportation charges, he loses interest while his gold is crossing the ocean. So it is only when the dollar has gained enough on the pound to repay the shipper for the expense of sending gold across the ocean that gold begins to travel away from the British Isles. The point at which the Londoner prefers to ship ingots instead of buying dollars varies with transportation charges and interest rates, but currently stands at approximately $4.8514. If, on the other hand, the pound should gain on the dollar to such an extent that a pound would buy $4.887, it would then be profitable for the American banker to ship gold to London. During the first nine months of 1929 the pound was worth less than $4.85, and gold went from England to the United States. During and after our stock market collapse the pound was worth more than $4.88, and gold went from this country to England. In March of the present year the pound stood between these two points, although most of such gold as did journey between the two countries was bound for New York.

. . .

But to say that gold moves from London to New York when the pound is worth less than $4.85 and from New York to London when the pound is worth more than $4.88 does not mean much in terms of the prosperity of manufacturers or the salaries of stenographers. Yet both manufacturer and stenographer are intimately concerned with gold movements. Remembering that business is dependent upon credit and that credit is dependent upon a gold reserve, it is obvious enough that a country must keep its gold reserve in order to keep its financial health. In England, for instance, it was customary for some time to regard 150,000,000 pounds as the minimum reserve consistent with safety. But, on the other hand, the world's gold supply is nearly constant, as gold stocks increase at less than 3 per cent a year, and this addition is used up by the normal expansion of world trade. So, then, the country whose gold supply is being constantly drained away is in much the position of a bank depositor writing endless checks on a fixed capital. The individual checks may be small in proportion to the capital total, but it is not long before the shrinkage becomes noticeable. In the fall of 1929, for instance, London's gold reserve, steadily declining, had shrunk far below the theoretical minimum and stood at some 133,000,000 pounds. The collapse of the American stock market relieved much of the pressure on British gold and thus averted an interesting but alarming demonstration of how far a gold reserve could sink without the country's industry also disappearing from view. But a gold shipment always represents the robbing of Peter for the paying of Paul, and no country can endure too severe a drain upon its gold resources. The English manufacturer and the English stenographer, for instance, might last summer have accompanied each other to the water front and, waving goodby to another boat load of bullion, thought, "There goes my new factory," or "There goes my new hat."

Nor was there so much more for them to do about their loss than to lament it, for where the results of a gold shortage are easily summed up in a single word—deflation—the causes of a gold shortage are more complicated and the control of gold movements is almost impossible. In pre-War days there was not much discussion of gold movements and no particular gold problem. For just as the pre-War world enjoyed a military balance of power, so also it enjoyed a financial balance of power during which gold movements automatically reversed and corrected themselves. If, for instance, business was dull in London and booming in New York, there resulted a brisk demand for dollars, a bull market in American securities, and a high interest rate, so that English gold traveled to New York either to be loaned out at good interest or invested in a rising security market. But soon so much outside money came to New York that the supply became overabundant, interest rates fell off, and securities, having appreciated in value, became less attractive as investments. Meanwhile, the loss of English gold made money scarce in England, raised English interest rates, and the combination of the two situations brought English gold back home again. And the same procedure marked gold movements between London and Paris or between Paris and Berlin. Both gold excesses and gold shortages were temporary and self-correcting. International trade was thought of in terms of export and import of commodities and of services (less important were exports and imports of money, especially the exportation of money involved in foreign investments), and no one country became so overwhelmingly prosperous over so long a period that the division of the world's treasure was seriously disturbed.

During the War, however, Europe turned its bullion into bayonets and the Peace left both victors and vanquished on the verge of bankruptcy. It also left the United States with a large proportion of the world's gold and nearly a monopoly of the world's prosperity. Once the United States had recovered from its own post-War deflation (in 1921) and once the post-War machinery of international commerce was again in running order, it became evident that the old balance of power had been seriously weakened. For the first time since the world had organized itself on an international gold standard, a concentration of gold in one overwhelmingly prosperous country appeared inevitable.

Here indeed was the basis for that animus against the United States so generally held throughout post-War Europe —the United States was preëminently the world's creditor nation. Uncle Sam could say, with much justification, that the world owed him a living, but, unlike most people who share this philosophy, Uncle Sam was already rich and the debtor world was poor. Every factor that could operate to bring gold to this country was operating with maximum effect. Gold travels where business is biggest, and business in the United States had for some time possessed all the superlatives of magnitude. Gold travels where business is most active, and the size of American corporations was exceeded only by their rate of growth. Gold travels where profits are greatest, and with a few notable exceptions, such as the Royal Dutch and I. G. Farbenindustrie, nearly all the world's leading corporate earners were concentrated in the United States. Gold travels where interest rates are highest, and for month after month the American call-money market offered the utmost in safety and in turnover, with a yield ranging from 8 per cent to 12 per cent. It was evident enough that the richest country in the world was steadily becoming richer, and to him that had it was being given.

Furthermore the American industrialist, already blessed with a gold surplus and a tremendous production capacity, developed an industrial philosophy which greatly intensified the flow of gold to the United States. This philosophy might

EMORY UNIVERSITY LIBRARY OF ATLANTA

Paul J. Sachs Collection, Fogg Art Museum, Harvard University
"THE JUDGMENT OF PARIS."—A GOLDEN APPLE WAS THE PRIZE IN THE CLASSIC BEAUTY CONTEST WON BY VENUS

be described as a theory of perpetual expansion. Its central premise was the consumer's unlimited capacity to consume. If in one year 4,000,000 automobiles were produced, the manufacturer would put part of his profits into the making of an additional million cars and another part of his profits into higher wages, which would enable the purchasing public to absorb the increase. Thus in the next year 5,000,000 cars would be made and sold, leaving both maker and buyer richer than before and ready for the 6,000,000-car year to come. Last fall, indeed, the limitless consumption idea had reached a point at which the American telephone, radio, and automobile industries, scorning the millennium of a phone, a loud-speaker, and a garage bill in every family, were proclaiming the desirability of the home with more than one telephone, more than one radio, and more than one automobile. Henry Ford was an outstanding expansionist and so was John J. Raskob, who wrote magazine articles about making everybody rich. And expansionism was given an official status by a Hoover economic commission which, in May, 1929, plainly stated and clearly applauded the non-vicious circle of more products making more sales making more products making more wealth.

In the cold, grey perspective of 1930 the expansion theory looks perhaps a bit peculiar, but it certainly worked admirably from 1924 to 1929 and might perhaps have continued to function if it had not fallen into the hands of its too enthusiastic Wall Street exponents. At any rate, from the standpoint of the present discussion, its importance lies mainly in the tremendous impetus which the bull market gave to gold imports. In addition to money owed us abroad, in addition to what might be termed the legitimate money demands of American industry, there developed an insatiable speculative gold appetite. America was financing not only its present but its future; it was buying today the factories and the production and the distribution of tomorrow. The American market was fascinating gold as a snake fascinates a rabbit and, also like the snake, was still hungry after the rabbit had been eaten. The theory that imports of gold created an excess of gold no longer held, for there seemed not enough gold in the world to satiate the market demand. For every new shipment there was a new financing; the market forever needed "them golden slippers to climb them golden stairs." Thus during the last eighteen months of the bull market, an economist would hardly have required statistics of gold movements to have realized that gold from all over the universe was converging upon Manhattan Island.

• • •

If, indeed, we consider the period from June, 1928, to October, 1929, we will see that gold was truly responding to the attraction just described, that the supply of American gold steadily mounted while the supply of European gold steadily decreased. Actual statistics of gold movements, however, presented one apparent contradiction—a contradiction so striking as to seem, in many ways, against financial nature. For while London and Berlin were, as was to have been expected, losing gold to New York, there was no flow of gold from Paris to New York and the French gold reserve, though not as large as the American, was steadily increasing. In fact, London was more worried over the flow of English gold across the Channel than over the flow of English gold across the Atlantic, and where America had formerly been scolded as a Midas, France was now being attacked as a miser. With no speculative excitement, with a low central bank rate, with no claim toward being, like England, the world's merchant, or like America, the world's banker, France was steadily

Publishers Photo Service

A HALF-DOZEN ROOTS OF ALL EVIL

accumulating a gold reserve which became the second largest in the world and was experiencing a gold surplus during a European gold famine.

The French ability to attract gold in the face of apparently adverse conditions is partly explained by the fact that much of the gold going into France was not *foreign money going to Paris* but *French money coming back to Paris*. The post-War franc, like all European currency, went through a marked deflation during which, for instance, American tourists used to plaster their trunks with francs and otherwise indicate their low opinion of French currency. And with the purchasing power of the franc so low, it was obviously more profitable for the Frenchmen to turn their gold into good dollars and pounds than into bad francs. For as soon as a piece of gold became a franc, it could not buy much of anything, but when it became a dollar or a pound its purchasing power was still high. Thus began what was known as the "flight from the franc," that is, a movement of French gold away from its depreciated native currency into the the currency of America and England. On June 25, 1928, the Bank of France itself had 36,308 million francs in foreign bills and balances as against 28,395 million francs in gold reserves; or, in simpler figures, it had 36 francs invested abroad compared to 28 francs in gold at home. And other French banks also had foreign portfolios, filled largely with English securities.

Meanwhile, in 1926, under the able guidance of Raymond Poincaré, the franc had started back toward par, and by June, 1928, had become again stabilized. With French industry recuperating from the War, with a French governmental surplus over outgo, with a tremendous increase in tourist trade, France was experiencing a prosperity which demanded and depended upon the employment of capital. Thereupon the French began to call their gold back home again. In June, 1929, the Bank of France had increased its gold holdings to 36,609 million francs and decreased its foreign balances to 25,971 million francs. In twelve months, therefore, it had acquired 8,000 million francs in gold and reduced foreign balances by 11,000 million francs. Now it had 36 francs in gold to 25 francs in foreign balances, and it had also advanced to French industry some 4,000 million francs. Other French banks were going through the same process of reclamation. Thus it was not so much free gold that came to Paris as loaned gold called back with the return of native prosperity. France also increased its gold holdings by purchases in the open market at London and by a normal flow of gold from Berlin and from London (especially from London), resulting from the franc's favorable exchange position with respect to both the mark and the pound. The strength of the French gold attraction is best measured by remembering that even during the height of market speculation in this country there was virtually no importation of French gold.

With France gaining instead of losing gold, the drain upon other European countries, of course, became even more severe. All over Europe, indeed, interest rates mounted in an effort, largely futile, to keep gold at home by creating a profitable native money market. In 1929 the official bank rate in Rome went to 7 per cent, in Berlin to 7.5 per cent, and in London from 4.5 per cent to 5.5 per cent and finally to 6.5 per cent. London was the greatest gold loser, and in London the gold shortage was particularly demoralizing, both because of Great Britain's former prestige as the world's financial center and because of the very bad British industrial situation which has made unemployment a standing nightmare for every recent British administration. Gold was the only tonic for Britain's sick industry, but gold was crossing both the Atlantic and the Channel as fast as liners could carry it. During July of 1929 gold ingots were moving from London to Paris at the rate of about a million pounds a day.

It was the French as well as the Americans whom the English blamed for their financial difficulties. The English press maintained that France was following a deliberate policy of *hoarding* gold in order to strengthen her hand in any conference of powers, such as, for instance, the recent Naval Conference so quickly ruined by French insistence upon a general guarantee of security. It was

International

MAKING RUMANIAN COINS AT THE BRITISH MINT

Wm. Thompson

LOST GOLD

ECONOMISTS, WHO THINK OF GOLD IN TERMS OF MONEY, ARE MUCH DISTURBED ABOUT THE GOLD THAT IS WASTED IN PRIVATE HOARDS AND PERSONAL ORNAMENTATION. THE ALGERIAN WOMAN PICTURED ABOVE IS A CHEERFUL EXAMPLE OF THE LATTER FORM OF WASTE, AS IS THE DARJEELIAN (INDIAN) WOMAN WITH THE LARGE EARRINGS. THE GOLD IN THEIR DECORATIONS WILL NEVER GET INTO CIRCULATION

Ewing Galloway

certainly undeniable that the French Government was very successful in preventing an inflation which might have stopped the flow of gold, and that there was a heavy tax on profits derived from foreign investments. Possibly, however, France was most interested in resuming her pre-War position as the banker of Eastern Europe and also in making Paris a greater world financial center than it was even in the pre-War days. At any rate, by the fall of 1929, France was soundly prosperous, America was inflatedly overprosperous, and it was the waves only that Britannia continued to rule.

How long the concentration of gold in New York and Paris could have continued without a collapse in London and Berlin is, fortunately, rather an academic question. For, as in the third act of a well written drama, the gold problem received a resounding though perhaps temporary resolution in the collapse of the American market. Early in October of 1929, when the New York market began to totter, gold started back to Europe again, American stocks finally went completely to pieces, and a gold tidal wave rushed back to the countries of its origin. During November and December of 1929 gold streamed steadily eastward across the Atlantic, adding to the surplus of French funds and materially repairing the resources of England. With the arrival of the American market panic a world gold panic was averted.

But, as the final curtain of a play sometimes leaves the audience with a question as to whether the troubles of its characters have been permanently removed or temporarily postponed, it is hardly possible to say that the conditions existing in the fall of 1929 can never repeat themselves. Indeed, the tide of gold has already turned back toward this country, though not as violently as before, and any large scale resumption of a bull market in America would proportionately reproduce the same situation, though perhaps again with the same reverberating *dénouement*. There are, however, alleviating factors. It should be a long time before the speculative frenzy in this country reaches anything in the neighborhood of its 1929 fever point. Besides, France has been relaxing its determined grip on the gold within its borders, has recently permitted a considerable flow of gold from France to Germany, and has even become sufficiently international to have a foreign loan floated in Paris. The apparently final settlement of the German reparations question has left the mark both high and stable, and with a release of pressure on English gold Great Britain is in a position to make some progress toward prosperity. Thus the 1928-9 dislocation of gold has been more disturbing than it has been disastrous. It has left New York the permanent capital of the financial world; it has left France a more prosperous country than Great Britain. But with the return of normal conditions in world finance the temporarily discredited system of a gold balance between nations should again assert itself. It will not, perhaps, be a very even-handed Justice, and her scales may tip heavily toward New York. But not so heavily that a reasonable foreign equilibrium cannot be maintained.

Publishers Photo Service

SIAMESE DANCERS, HEAVY WITH GOLD

Railroads Electrified

With particular reference to the Pennsylvania.

WEBSTER defines the verb, "to electrify," thus: "To excite suddenly and violently... by something highly delightful or inspiriting; to thrill." Such a definition applies to many a prophetic vision of the electrification of our railroads, many a dream of the future, in the manner of H. G. Wells, with monstrous electric locomotives noiselessly shooting across the length and breadth of the land. That this vision will some day materialize, no one doubts. But for the present, and for a good piece of the future, railroaders prefer a more prosaic definition: "To equip for employment of electric power."

Railroad men prefer this calmer definition, not because they are sceptical of the enormous possibilities of electric power in their profession, but because they know that steam still is, and will for some time remain, the chief source of railroad power. There have been electrified in the United States only about 1,800 miles of line, which is not even 1 per cent of the total mileage. Europe leads the United States in electrified mileage, Switzerland alone having nearly 1,500 miles operated by electricity.

Cost.—Electrification has spread no farther because of the most cogent of reasons: its cost. To electrify a mile of track is costing the Pennsylvania in the neighborhood of $77,000. An electric engine costs from $100,000 to $175,000; a steam engine from $40,000 to $150,000. Once installed, electric power is cheaper than steam.

Power.—Not long ago in Erie, Pennsylvania, three Titans had a tug-of-war. Two huge Mogul steam locomotives were coupled to an electric engine and started down the track. When they had reached a speed of about fifteen miles an hour, the electric engine was started in the opposite direction. The steam locomotives began to move more slowly, came to a dead stop, and then, puffing furiously but in vain, with drivers whirring impotently against the rails, the mighty pair were slowly dragged backward.

Thus did electricity dramatically demonstrate a transportation efficiency superior to steam. The electric engine won its victory not because it was more powerful (as a matter of fact, its rated horsepower was somewhat less than that of its opponents) but because it made better use of its power. A steam engine receives its power at intervals, whenever a piston is thrust out and sets driving-wheels in motion. An electric motor, on the other hand, has an uninterrupted flow of power at all times. A steam engine travels under momentum half the time between thrusts. An electric engine never has a second of inertia.

Efficiency.—By every canon of operating efficiency, electricity is more effective than steam power: an electric engine will haul more cars than a steam locomotive. It will pull them up higher grades, and it will whirl them along at a faster clip. It makes less noise and no smoke. It does not need to be taken off duty every few hundred miles and "rested up" as do steam engines. If the *Twentieth Century* were pulled by electricity, one locomotive could make the entire run instead of the three that now split up the run between them.

As a source of power the generating station is much superior to the coal tender. The steam railroad is like the camel which conveys its own sources of energy on its back. To supply fuel for their own purposes, our railroads last year pulled 2,100,000 loaded coal cars, containing a total of 114,000,000 tons of coal. One out of every ten cars hauled was filled with coal for the railroads themselves. Last year the railroads burned more than 27 per cent of the soft coal produced. These figures have their roots in this fact: the most efficient steam locomotive must burn four pounds of coal to produce one horsepower for one hour.

On the other hand, the average steam-electric generating station in this country burned last year 1.66 pounds of coal to get 1.33 horsepower for one hour. That is, the average generating station used less than one-third as much coal to produce a horsepower hour than did the most efficient steam locomotive. In the aggregate, our steam railroads last year burned two and one-half times as much coal as did the electric plants to produce about 10 per cent less power.

Projects.—Electricity stands ready to give the railroads efficiency if they are willing to pay for it. Whether any given railroad is willing to pay the price depends on how great is its need. There are three railroading problems which electricity solves with particular skill: grades, tunnels, and congested traffic. Some eclectic notes on outstanding jobs of electrification would include:

Central-New Haven.—The use of electricity by railroads received its first big impetus when the New York Central and the New York, New Haven & Hartford electrified their lines in the Grand Central Terminal district during 1906 and 1907. Their main object: elimination of smoke and noise.

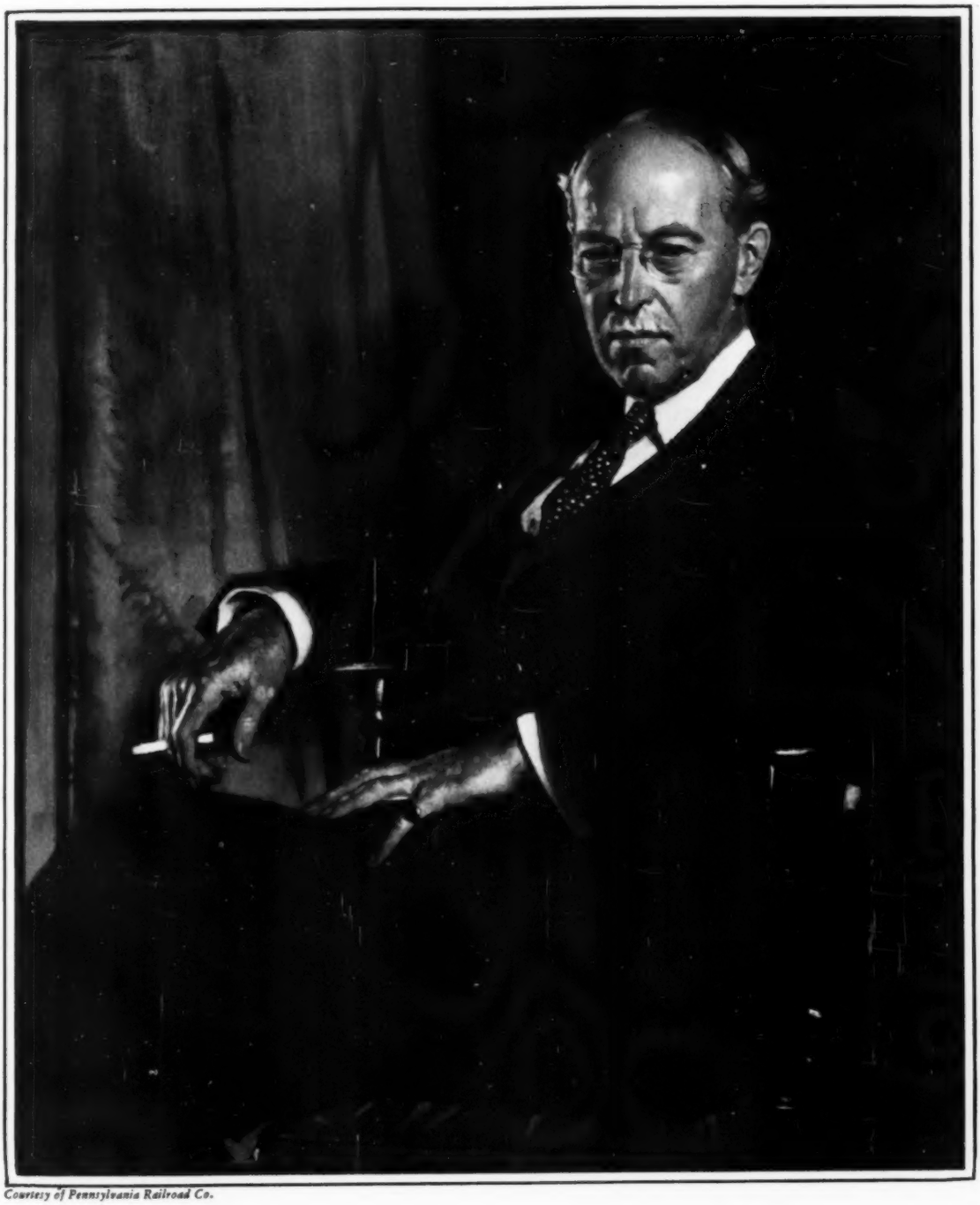
Virginian.—When the late Henry H. Rogers bought the Virginian, he found himself with a serious traffic problem on his hands. For more than 134 miles the road travels up steep grades and over narrow and precarious footholds through the Blue Ridge Range. Though the Virginian had the shortest route from the coal fields to the seaboard, it was losing business to other carriers because its single track through the Blue Ridge was inadequate. But the cost of double-tracking the stretch would have been prohibitive. Electrical engineers told Mr. Rogers that electric engines could be built that would haul twice as many cars twice as fast through the Blue Ridge as his steam locomotives could. In 1926, the electrification was completed. Operating costs in 1924 were forty cents per hundred net ton miles; in 1927 they were thirty-five cents, a 12.5 per cent reduction.

St. Paul.—The Chicago, Milwaukee, St. Paul & Pacific has at present the greatest electrified mileage of any road in the country: 658 miles. It invokes the god or demon of electricity to haul its trains over the steep grades of the Rockies. The Milwaukee electric engines have a peculiar feature: the motors act as generators as they go down hill, returning power to the lines. Not long ago a heavy freight train was sent rolling down the western slope of the Cascades, and all current from the central station generators was shut off. The freight engine returned so much power to the line as it went down the western slope that it was able to pull a passenger train up the eastern slope.

Reading . . . Lackawanna.—At the moment the East is the seat of electrification activities. The Reading is spending $20,000,000 on electrifying its lines in the Philadelphia metropolitan area. President Dice has stated that when this is completed, early in 1932, his road expects to set about electrifying its New York-Philadelphia lines. The Lackawanna is spending from $14,000,000 to $18,000,000 on the electrification of 173 miles of track in northern New Jersey. The job should be finished this summer. These are ambitious undertakings, but they are overshadowed by one of much greater scope.

Pennsylvania.—On October 31, 1928, General Atterbury announced that the Pennsylvania would spend $100,000,000 in the next eight years on electrification. The project takes in 325 miles of line and 1,300 miles of track, extending from New York to Wilmington, Delaware, with a spur at Philadelphia westward to Atglen and Columbia, Pennsylvania. Last fall the project was extended to Baltimore, and Washington was indicated as its ultimate goal. Work is going on now on the Philadelphia-Columbia section, which General Atterbury sees as "the first step in electrification to Pittsburgh." For use on the network of electric lines it expects to be operating in a few years, the Pennsylvania will need 150 locomotives. Their horsepower will be 6,000 (as against the present 4,000 rating of big Pennsy locomotives), and their cost will be $16,000,000.

"This electrification will far exceed in magnitude and in importance that of any other railroad in the world, in miles of track to be electrified, in volume and density of passenger and freight business handled, in size and amount of equipment required, in the number of trains affected, and in terminal operations involved." The speaker is General William Wallace Atterbury, chief of the huge, efficient Pennsylvania system, vigorous interpreter of what he likes to call the "art" of railroad electrification.



Courtesy of Pennsylvania Railroad Co.

PORTRAIT OF GENERAL WILLIAM WALLACE ATTERBURY

BY SIR WILLIAM ORPEN

The Case of William Fox

A *cause célèbre* of modern finance, which has plunged both bankers and lawyers into heroic struggles, is (here for the first time) dissected, rearranged, and spread out in coherent and comprehensible form.

WHEN, on April 7, 1930, the announcement was made that General Theatres Equipment, Inc., had purchased from William Fox 150,101 shares in Fox Film and Fox Theatres, one of the most extensive and bitter litigations in corporate history apparently came to a conclusion. Fought between Mr. Fox and supporters on the one hand, and Mr. Harold Leonard Stuart of Halsey, Stuart & Co., Inc. and Mr. John Edward Otterson of Electrical Research Products, Inc. on the other, the conflict resulted in an unmistakable victory for the Stuart-Otterson forces. For the issue at stake was precisely the 150,101 shares owned by Mr. Fox (carrying with them control of the Fox companies), and General Theatres Equipment, Inc., purchaser of these shares, had long been allied with Halsey, Stuart. Closeness of this alliance was demonstrated by the fact that in the plan of Fox financing prepared by Halsey, Stuart, the new Fox Film common was to have been underwritten by General Theatres. Therefore what Mr. Fox had long been protesting against—the removal of the companies from his personal control—had been accomplished, and his surrender was mitigated chiefly by the purchase price of his holdings—a price not announced but rumored at $18,000,000. New financing of the Fox companies would include both Halsey, Stuart & Co., and the Blair syndicate. Back of this presumably final development, however, lay a long and complicated tangle, revolving about the now famous Trustee agreement of December 3, 1929. It is with the circumstances immediately preceding the signing of this agreement that any coherent statement of the Fox litigation necessarily begins.

* * *

At the London end of a transatlantic telephone sat Winfield Sheehan; at the New York end sat William Fox. Mr. Sheehan was vice president and general manager of Fox Film Corp. and has at Beverly Hills a large house with a sunken garden and a library ceiling imported from Spain and a rusty cowbell which he jangles to summon his servants to bring dinner on golden plates and also in golden goblets. Mr. Fox was the president of Fox Film and Fox Theatres and was the biggest cinema man in the world and wears white socks with high black shoes and appears at formal meetings with a sweater under his coat. He has an estate, too, at Woodmere, Long Island, where he keeps a remarkable collection of musical instruments from the harpsichord of the 16th century to the saxophone of the 20th. But Mr. Fox and Mr. Sheehan were not talking about golden plates or golden notes. Their conversation was held late in November, 1929, which was just after securities on the New York Stock Exchange had reached the low points in their famous 1929 decline. Mr. Sheehan had heard (through previous transoceanic phone communication with other Fox officials) that the collapse of the market had produced a near-collapse in the Fox financial structure. "What," said he, in effect, "is wrong and how wrong is it?" "Nothing," replied Mr. Fox, in effect. "There is no danger and everything will be all right." Still perturbed, however, Mr. Sheehan scanned sailing lists, packed bags, and on the following morning took the *Majestic* home. Arriving in New York at 7:30 P.M. on the evening of December 3, 1929, he hastened off the boat, jumped into a taxi, proceeded immediately to the Fox apartment at 270 Park Avenue. There he found no sackcloth, no ashes, but a beaming and confident Mr. Fox who vehemently informed him that such troubles as had existed were over, that Halsey, Stuart & Co. and the American Telephone & Telegraph Company had come to the rescue, and that on the very afternoon of Mr. Sheehan's arrival Mr. Fox had achieved the master stroke of a career in which many a *tour de force* had already been recorded. For on that day he had signed an agreement establishing three Trustees as guardians of his companies, and of the three Trustees one was Mr. Stuart of Halsey, Stuart, one was Mr. Otterson of Electrical Research Products (American Telephone & Telegraph subsidiary), and the third was Mr. Fox himself.

It is difficult now to see why Mr. Fox was so pleased with his agreement, because while it undoubtedly enlisted the financial support of the banking house and the telephone company, it also left Mr. Fox a minority representative on what virtually amounted to a new board of directors. Indeed, Mr. Sheehan was apparently not so easily reassured, because it was not until four the next morning that their meeting ended. But the entire Fox litigation is filled with incomprehensibilities. It is a cinema story by name, by nature, and by the millions of dollars carelessly handled and hopelessly involved—a drama become incurably melodramatic. Hardly a week after his signing of the December third agreement, Mr. Fox was firmly convinced that Mr. Stuart and Mr. Otterson had been wolves in sheep's clothing, and that back of their apparently friendly assistance lay a nefarious plot to rob him of his companies. Hardly two weeks after his meeting with Mr. Sheehan he was equally convinced that Mr. Sheehan had betrayed his trust, had gone over to the enemy, and with them was seeking his ruin. Thus the whole complicated tangle of conflicting rights and interests and personalities and justice was transformed into a great super-special, a talking-movie projected on a Grandeur screen before a Roxy audience and with the hero *v.* villain characterization so typical of its kind. Perhaps the simplest method of reviewing the Fox litigation is, indeed, to trace it somewhat in its motion-picture aspects, remembering, however, that such a procedure inescapably selects Mr. Fox as the central figure, and interrupting the progress of the narrative at points during which accusations of trickery, fraud, lying, and villainy are hardly adequate explanations of the complicated factors involved. And let it be also remembered that the December third agreement, signed by Mr. Fox and putting at the disposal of the three Trustees (*or majority of them*) control of the voting stock in both Fox Film and Fox Theatres, remains distinct from and superior to the questions of motive and character and intention into which the Fox litigation has so pointedly proceeded.

Like all motion pictures, the Fox picture has a hero (it unfortunately lacks heroine or love-interest), and of this picture the hero is certainly Mr. Fox. We see him first on the New York East Side, the child of Jewish immigrants from Hungary, one among the thousands of Manhattan tenement dwellers destined apparently for the pushcart or the sweatshop. At that time the family name was reputedly Fuchs, and Fuchs Sr. earned a very meager living by the manufacture of shoe polish, which he concocted over the stove in the family kitchen. Young William Fuchs sold the shoe polish, also sold newspapers, outwardly resembled most of the other young inhabitants of the Ghetto, except for a physical disability which left him even more than ordinarily handicapped. A broken arm, crudely set, never again recovered its normal usefulness, although today Mr. Fox plays at least as excellent golf as most of his business contemporaries. After selling shoe polish and newspapers, Mr. Fox worked in a cleaning-and-pressing establishment and advanced to a salary of $17 a week. Asking for a raise, he was informed that he really was worth only $15 a week, so, disgusted with the pressing business, he took $1,600 (saved from his salary) and, with two partners, bought a little motion picture house in Brooklyn. This purchase (made in 1904) started Mr. Fox on his way to cinema kingship.

CARNEGIE LIBRARY OF ATLANTA

Mr. Fox's extremely humble origin of course fits excellently the cinema formula; from a less sentimental standpoint it is also important as explaining much of the extreme ego characteristic of the more mature Mr. Fox. It may be a good thing for a man to start from the bottom, but it is not such a good thing for him to start from a subcellar. For obviously he will be afflicted with a terrible inferiority complex, and although he may make of that very inferiority a driving power forcing him toward a success, he is bound to do his climbing with a chip on his shoulder and to retain an individualistic and a belligerent attitude long after he has reached the top. Mr. Fox has never been an enemy of society, but society was for a long time an enemy to him, and the old resentment is still lasting like death. Mr. Fox does not attend a formal meeting in a sweater because he imagines that a sweater is an appropriate garment for such an occasion. He wears a sweater because he knows that whether it is approved or not it is going to be accepted because he is wearing it, and that men who would once have refused him admittance in full dress would now be pleased to receive him in overalls. Newspapermen have frequently commented upon the fact that on those rare occasions when Mr. Fox consents to meet the Press, he disregards the immediate business of the interview in favor of a long preamble on his Rise from the Ranks, any interruption of which is likely to result in a door slamming upon the departure of an indignant cinema potentate. At the height of his success, in the full confidence of his powers, Mr. Fox was able to negotiate with Park Avenue and Wall Street on friendly and equal terms. In a crisis, however, and confronted with a division of interest between himself and his highborn associates, ancient suspicion and half-obliterated distrust were bound to reassert themselves with overwhelming force. It is important to remember Mr. Fox's early environment, for his struggle to overcome it explains much of the one-man character of his business, of his complete confidence in his personal signature as a method of raising money, and of the bitterly personal animus in his present attitude toward his former friends.

Returning to the narrative of the Fox career, however, it is perhaps feasible to dismiss the period from 1904 to 1925 as a time of gradual but unbroken progress, a progress which had brought Mr. Fox to a prominent, but by no means a dominating position. He had a producing company (Fox Film), a theatre company (Fox Theatres), and a distributing system through which Fox films were shown throughout the country. At that time, however, Mr. Fox controlled comparatively few theatres, his pictures were not considered of major importance, and Theda Bara had been his outstanding star. Mr. Fox had made mostly western pictures, full of cowboys and Indians, and vampire pictures, full of Miss Bara, with occasional excursions into such bypaths as, for example, Annette Kellerman with a great deal of bathing-suit footage. But the people liked Mr. Fox's pictures, even if the critics did not, and as his films were turned out quickly, economically, and with a minimum of high-priced actors and actresses, they were bringing Mr. Fox a steady income and piling up a surplus for the expansion period which he was about to begin. His main assets in this expansion were Mr. Sheehan, who as general manager was gradually improving the quality of his pictures, and his own ambition, supported by his personal control of both his companies. All voting power in Fox Film lay in 100,000 shares of Class B stock, of which Mr. Fox owned 50,101 shares. All voting power in Fox Theatres lay in a corresponding 100,000 shares of Class B stock, the entire issue of which belonged to Mr. Fox. With a directorate that opened him to a charge of nepotism and the ability to shift directors and executives at his pleasure, Mr. Fox was well able to demonstrate the extraordinary efficiency inherent in a thoroughly centralized control. Securing additional capital by issuing Class A non-voting shares in both Film and Theatres, Mr. Fox began producing better pictures, adding new theatres, and by the close of 1926 had brought out *What Price Glory* (his first "super" film).

In 1927, still expanding, Mr. Fox began to buy theatres by the chain instead of by the unit and also began to experiment with the talking picture. His more ambitious expansion made it necessary for him to have a banker. Thus upon the scene arrived Halsey, Stuart & Co. and Harold (commonly known as Harry) Leonard Stuart, its president. The talking picture brought Mr. Fox into contact with applied science, thus saw the beginning of his connection with Electrical Research Products (American Telephone & Telegraph subsidiary) and its president, John Edward Otterson. It is at this point, therefore, that the two other major actors are introduced (with Movietone theme music from *Mephistopheles*) to begin the association so violently terminated some three years later. It should be noticed, however, that Mr. Stuart and Mr. Otterson were not working together, recent court proceedings having brought out the fact that the banker and the utility man had not seen each other for some five years before they met to solve Mr. Fox's difficulties.

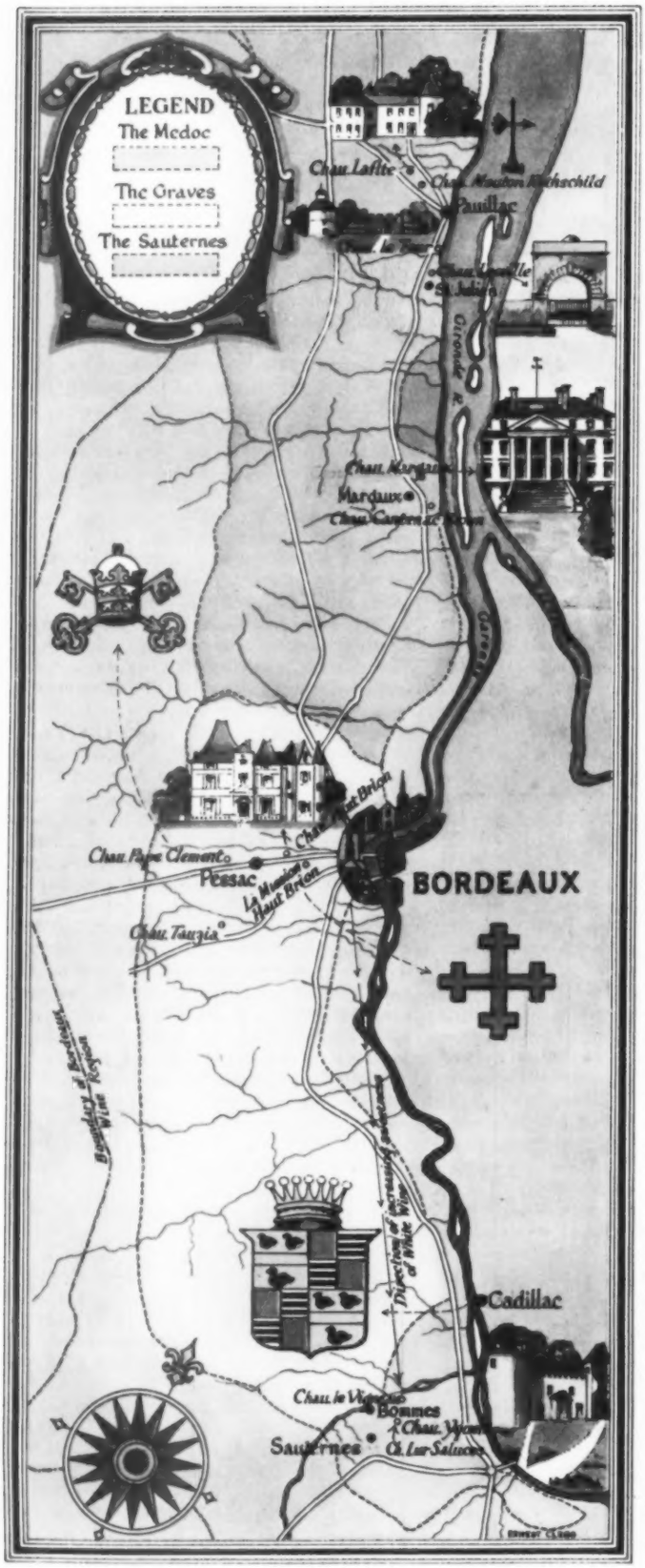
Both Mr. Stuart and Mr. Otterson were sufficiently opposite types from Mr. Fox. Mr. Stuart was the head of a conservative and long-established banking house, the most radical innovation of which had been the introduction of radio advertising. Halsey, Stuart & Co. had always been considered an excellent bond-selling organization, had never shown a disposition to manage the affairs of the companies whose issues it handled. Its most conspicuous connection was with the utility interests of Samuel Insull, and Mr. Insull's companies were notably not of a type whose bankers either rescue or absorb them. Mr. Stuart and Mr. Insull were (and remain) close personal friends, meet frequently at the exclusive Chicago Club, and have several times gone abroad together. Thus Mr. Fox was a new kind of client for Mr. Stuart, just as Mr. Stuart, with his perennial carnation and his quiet correctness, was perhaps a new kind of associate for Mr. Fox.

Mr. Otterson, less the metropolitan clubman than Mr. Stuart, was still not nearly as self-made as Mr. Fox. Graduating from Annapolis in 1904, he served in the Navy until 1915, then superintended the manufacture of Winchester rifles, whence he traveled to Electrical Research Products by way of Western Electric. Some 70 cinema studios and 3,764 theatres have been equipped with talking cinema machinery by Electrical Research Products, which has installed 57 per cent of the vocal picture apparatus now in use. Mr. Otterson is very dignified, very good looking, very reticent, noted particularly for the qualities of shrewdness and tenacity. He used to commute between New York and New Haven (where his family lives and where he was once head of the Chamber of Commerce), but now has a New York apartment and goes home only for week-ends. It was with Mr. Otterson that Mr. Fox first fell out, and it appears to be the telephone company, rather than the bankers, whom Mr. Fox considered the more menacing graspers for his properties.

In 1927, however, Mr. Fox, Mr. Stuart, and Mr. Otterson were good friends and associates, and it was under their auspices (but particularly Mr. Stuart's) that what Mr. Fox refers to so frequently as his "great enterprise" came to its fullest bloom. In 1927 and 1928 the Theatres company bought the Roxy circuit (including the 6,200-seat Roxy Theatre), the Poli chain of 20 New England theatres (price: $25,000,000), and some 313 theatres in New York, New Jersey, and Ohio. The Film company also bought many theatres, notably Wesco Corporation, controlling 216 theatres, chiefly in California, and also with a one-third interest in First National Pictures. Meanwhile Mr. Fox, introducing the Movietone in 1927, had pushed the talking film so vigorously that he shared talking-picture honors with Warner Brothers (whose Vitaphone had preceded the Movietone by about twelve months), and early in 1929 was able to announce that henceforth all Fox pictures would talk and that the silent film, from the Fox standpoint, was dead and gone. The Speaking Likenesses, of course, tremendously accelerated Fox (also Warner) progress, as they rapidly made obsolete the quiet cinema, and the old methods and old reputations of longer established producers became a handicap rather than a help. So by the end of 1928 Mr. Fox had risen to a position of prominence among the Big Four of Cinema (Warner Brothers, Paramount, Fox, Loew). During this period the Fox financing had not become frenzied, Mr. Stuart had done nothing more radical than the endorsement of some second mortgage bonds, and both he and Mr. Otterson (busily installing Movietones) were well pleased with their cinema friend.

In 1929, however, came the period of Mr. Fox's greatest glory and came also the events which later resulted in his present predicament. Comparing him (probably not to his displeasure) with Napoleon, 1929 might be termed his Moscow year, although Mr. Fox was not nearly as reckless as Napoleon and won a far more complete victory. He did, however, embark upon an expedition a bit too expensive for his resources, and he certainly retreated from it in extremely bad order. That expedition was the Loew purchase, followed by the Gaumont purchase, two items of expansion which made his cinema tower unquestionably the tallest in the world, but left it also with a marked divergence from the perpendicular.

[*Continued on page 108*]



Wine

A definitely aristocratic business—yet with some Democrats in Burgundy bottles—and the Argentine Navy steams across the Atlantic to salute M. Jean Calvet.

THE philosophy of the American includes beer and spirits but not wine. Yet observe this paradox: our substantial people have immense respect for the man of wealth who adds to his business acumen and his flair for sport a knowledge of the niceties of wine. Indeed no other hobby of the business man is so definitely and quietly aristocratic. The small banker does not know whether Château d'Yquem is red or white (or indeed whether it is a wine), but he knows that the great banker does.

The great banker is aware that champagne is the least esteemed of great wines among connoisseurs, though it is the only one America imports on a mass bootleg basis. He may have smiled at the recent and somewhat circulated *mot* of that slightly dissolute *flâneur*, Prince Aage of Denmark. Said His Royal Highness with uncommon wit: "A night of champagnes at the Paris *boîtes* is like running from house to house licking dusty windowpanes—the taste is practically the same."

Business may have forced the man of large affairs to pick up what he knows of wine in Paris, London, or, worse still, Berlin. But as he sips a glass of the king of all red wines, his eye may linger on the label. "Château Lafite-Rothschild," he reads, and above the steel engraving on the quaint, old-fashioned hallmark, "Mis en bouteille au Château."

Perhaps the Rothschilds themselves may have chanced to mention their wine. They may even have invited him down to Lafite for the shooting. But he had to catch the *Bremen*. Some day, though, on his way motoring down to Biarritz, he means to have a look at the most aristocratic business on earth. In the Bordeaux wine country many a shabbily dressed proprietor is a rich authentic Grand Seigneur. The wine turnover for France alone is more than a billion gallons yearly.

Billion, Million, and 1/15,000th

In the city of Bordeaux the discreetly famous Hôtel Montré is the place to stop, an astonishing old hostel with suits of complete armor standing in the halls, pikestaffs and lances sprouting everywhere, walls fairly dripping swords, and several parlors furnished with antiques upon which the merest guest may sit, though the owner deems them priceless and will not sell. Directly across the narrow street stands what any Bordelais will tell you is the "First Restaurant in Europe," Le Chapon-Fin. Suppose we dine there and turn in early.

Next morning our dusty Farman glides down the left bank of the Garonne ("*Une Voiture Roule, la Farman Glisse*"). Less than 1/15,000th part of the annual French billion gallons of wine is produced by the three châteaux without peer we shall visit this morning: Château Lafite (21,000 gallons); Château Latour (22,000 gallons); and Château Margaux (21,000 gallons), all of red wine. These are the *Premiers Crus*, the "First

VINEYARD—*BY CHARLES EMANUEL BÉNÉZIT*

Growths." They top the hierarchy of five *crus*, five ranks of vinous nobility, the most exclusive in the world, which altogether grow a scant million gallons yearly, every drop precious to the man of taste.

Sublime Lafite

We have now motored almost to the end of the famous red wine district of Médoc, and our car enters the spacious grounds of Château Lafite.

Its present owners have quite superfluously added a hyphen and their famous name to the label of this sublime, majestic wine. But no connoisseur has ever been heard to take them seriously by calling for a bottle of "Lafite-Rothschild." The owners are, of course, the Barons de Rothschild: Edmond, Edouard, and Robert.

The long low building at the right (see photograph) contains the machinery for separating the grapes from their stems, and the large wood-lined steel presses, from which the juice flows through glass pipes to the initial fermentation vats. Even to this highest altar in the temple of Bacchus the machine age has come!

Similar machinery is used at all the châteaux of the *Grands Crus*. Oddly enough, one hears very little grumbling among connoisseurs that wine trodden out by the human foot as of old would be better.

The low buildings to the left are the *caves*. These cellars contain in a special vault a treasure unique and priceless: the so-called "library" of the Rothschilds, with a bottled first edition of every Château Lafite vintage since 1797, a span of 133 years! Cheap enough was the price paid for both château and library in 1868, namely 4,500,000 francs or $900,000, which probably represented in purchasing power then at least $2,000,000 now.

Because they are absentee landlords, and because they keep up Lafite with elaborate, expensive, even extravagant care, it is said that the Barons de Rothschild actually manage to lose

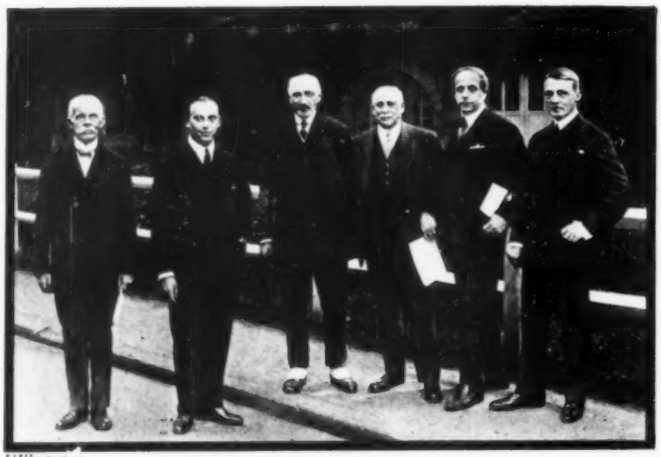
a little money on the property. When you pay 25 shillings for a bottle of Lafite at the Savoy Hotel in London, consider that the Rothschilds have made you a small gift.

Proud Mouton, Poetic Margaux

Turning back toward Bordeaux, we barely pause at the Château Mouton-hyphen-Rothschild, commonly held to be the best of the *Second Crus*. Indeed its ancient, proud, pre-Rothschild motto reads:

Premier ne suis, I am not first,
Second ne daigne, Second befits me not,
Mouton suis! Call me Mouton!

The Rothschilds have given Mouton the only modernistic label stooped to by any of the hoary *Grands Crus* (see page 55), and they have put their armorial arrow with four tails up on the château's lightning rod for a weather vane. But then the Rothschilds have always been incorrigible.



L'Illustration

"LES ROIS DES CRUS": ANDRÉ GILBERT (HAUT-BRION), PHILIPPE DE ROTHSCHILD (MOUTON), COUNT RENÉ DE BEAUMONT (LATOUR), PIERRE MOREAU (MARGAUX), BARON ROBERT DE ROTHSCHILD (LAFITE), AND THE MARQUIS DE LUR SALUCES (YQUEM)

Speeding on down the dusty road, we come to Château Latour. One *cave* is like another. And Count René de Beaumont is almost as much an absentee landlord as the Rothschilds. We pause merely to taste the "young wine," lying in casks as it must for three years before being bottled. Then on past the famous gate of Les Trois Léovilles to stark-white, classic Château Margaux (see photograph).

This last of the three *Grands Crus* is the only one strictly business. It was bought some years ago (1920) by a syndicate, which employed as manager M. Pierre Moreau, an astute and energetic man He now owns the controlling interest. He has piles of free postcards ready for visitors to write and mail. He has stacks of little handbills with a picture of the château displayed above a long, eulogistic poem which calls Margaux the "King of Kings!"—that is to say, superior to Latour and Lafite. But though successful, M. Moreau deserves your sympathy. He has lost his only son. He is getting on. It is not thus that a Frenchman wishes to die, who sees the vine resurrect itself every spring. Among his neighbors he is called a sad and stricken man.

In contrasting the three *Grands Crus*, it is commonly said that Margaux is the most delicate and poetic. Latour is the most richly spacious, with a glorious aftertaste. And Lafite is said to be in flavor and bouquet a grand symposium of all the virtues, being in fact hailed as the "King of Kings," though in bad years it certainly does not deserve the title.

The Patriot of Haut-Brion

Our next stop is at the famous Château Haut-Brion in the suburbs of Bordeaux. Here we meet an old man said to be short-tempered. But this must be one of his good days, or perhaps people are quite wrong. M. André Gilbert greets us with every courtesy. We forget that he is slender with the frailty of years, for he speaks with animation, even humor, and after a while he asks us minutely, and with a visible effort to understand, why Americans want prohibition of wine.

He soon has us in a corner, and the best that we can do is to explain that Americans in the mass have never tasted wine, know little or nothing about it, and suppose that it is like gin or whiskey, only not so alcoholic. (For a note on the nature of wine, see page 124.)

M. Gilbert, after showing us about the old château, shakes our hand at parting with perhaps an added warmth: "Now for the first time I begin to understand your countrymen. I had supposed that for some reason, I could not conceive what, they did not like good wine. I imagined that some mad superstition — perhaps a heritage from the Indians—made them think good wine would hurt them. But this idea did not satisfy me. Surely, I thought, many of them must have drunk enough to know that wine nourishes and ennobles. But you tell me that so many have never even tasted it! I begin to understand. But you, Monsieur, and the other Americans who sometimes visit me, when you all go home why do you not tell your countrymen the truth about good wine?"

If we have in any way deceived M. Gilbert, we are ashamed. He is a patriot. To save the great vineyard of Haut-Brion (for Bordeaux is growing so fast that his winelands could soon be sold at a fabulous profit as building lots), he has willed it to the city on condition that its vines be tended forever. (Parisian vineyards once covered the sites of the night clubs of Montmartre, and the Théâtre Odéon now stands where the once famous wines of Clos Bruneau grew.) Although Haut-Brion is strictly speaking in the Graves, connoisseurs and wine merchants rank it with the three *Premiers Crus* of the Médoc, and some call it fervently "the greatest of all red wines!"

NEW WINES MATURING. LEFT, *GRAND VIN;* RIGHT, *VIN ORDINAIRE*

Splendid Sauterne

Next day our exceedingly dusty Farman does its internationally advertised *glisse* from Bordeaux up the left bank of the Garonne through first the large Graves and then the small Sauternais. Up river is white wine, down red (see map). As we approach Sauternes, the wines become sweeter. Indeed the Graves wine of Château Carbonnieux is so astonishingly dry and colorless that in former times a Bordelaise, who had become in Constantinople one of the Sultan's odalisques, is said to have slipped her favorite wine past the customs officers of dry Turkey by instructing the shippers to label it *Eau Minérale de Carbonnieux*. Nearby is the Château Pape Clément. Its wine commemorates the refuge France gave to Clement V after the Papal flight from Rome.

But we are approaching splendid Sauternes. No one who has merely drunk the worst of this wine on dining cars, and the next worst at ordinary hotels, has the faintest conception of that glorious, well-nigh overpowering volume of flavor and perfume which sweeps up from a true and great Sauterne. Even the "new wine" of Château d'Yquem has such a quality of pure delight that your average visitor, after drinking a single glass straight from the barrel, rushes in a transport of emotion to one of the enormous visitors' books and writes his praise in terms which would sound absolutely daffed if set down in print.

Intoxication is not the point. Any cocktail contains far more alcohol than a glass of Château d'Yquem. But upon thousands and thousands of people, generation after generation, the effect is the same. In Europe the Château d'Yquem has been regarded for very many years as something more than a vineyard, almost as a shrine of taste. The long roll of peasants, clerks, counts,

S. K. S. News Service
M. JEAN CALVET: BIG BUSINESS

business men, princes, tycoons, kings, presidents, and tsars who have made this slightly long and slightly inconvenient pilgrimage is crowned for the present with the enormous signature of His Most Catholic Majesty, Alfonso XIII, King of Spain.

Wickedest wine; Château d'Yquem

It so happens that the owner of Château d'Yquem is an authentic Grand Seigneur, the Marquis Bertrand de Lur Saluces, a son of sires upon whose ancient lineage it is needless to insist. A young brisk man of about thirty, he makes it his business to see that Yquem returns a net profit every year of at least one million francs. He also gives efficient care to several other estates.

We find the Grand Seigneur living from choice in a very tiny, though comfortably furnished, second floor apartment in Bordeaux, with one valet and two dogs. It is a mere but significant coincidence that, as we enter, there lies freshly open on the Marquis' desk a pale blue telegram from Brussels, from the exiled Dauphin, Henri of France, joyously informing the Lord of Château d'Yquem that he, the Dauphin, has just been created "Count of Paris" by his father, the Pretender to the Throne of France, the Duc de Guise.

In the course of conversation the business man, with a net of a million a year, tells us that he believes 5,000,000 Frenchmen would support the Duc de Guise with arms should "His Majesty" proclaim the restoration of the Monarchy, and that at least 10,000,000 more would welcome the change: "But mind, I am saying only what I *think*. No one knows. I think that a restoration may become possible, but for the present it is scarcely probable."

Our mind's eye passes from the Marquis and the telegram to Château d'Yquem itself. It is a little Carcassonne, a residential fortress with towers and bastions which have seen war and siege (see photograph). There is a painting in the hall which shows the stout gate beset by men at arms. Today this is all as empty or as stirring as the title, "Count of Paris." Is one stirred?

The wine presses and *caves* are in long, commonplace, comparatively new buildings outside the fortress walls. But at least there is still

CHATEAU LAFITE-ROTHSCHILD: KING OF REDS

romance in the wine! Here at Château d'Yquem the grapes must hang in the blazing sun until they are ripe, then overripe, and finally until you would say they were absolutely rotten. Then, grape by grape, the precious globes, their skins drooping and so thin that they seem ready to burst with the weight of the sweet liquorish juice, are plucked and carried hurriedly to the press, and the screw is gently turned. It is all as monstrous, and the result is as superb, as the overfeeding of geese to make their livers swell and become *pâté de foie gras*. Certainly the best and most wicked luncheon in the world is a lettuce salad and a *pâté*, washed down with Château d'Yquem 1921. The poor grapes, the tragic geese, the noble head of lettuce decapitated in its prime!

Big Business and wine

Who shoulders the enormous task of distributing the many million gallons of best and ordinary beverage wines produced annually about Bordeaux? We have not met any château proprietor thus far who seemed exactly suited for this business. The Marquis Bertrand de Lur Saluces does not wish to be distracted by further cares from his hobbies of yachting and writing a history of Russian literature in Russian (and to study Russian he has to commute every week up to Paris and the Sorbonne). Somewhere the elegant business of owning a château must be buttressed by Big Business. It is. The warehouses of the great, historic wine shippers of Bordeaux line the quais of the Garonne, whence good wine has set sail on a Big Business basis at least since the 12th century. Among honored names are Louis Eschenauer, J. Calvet & Cie., N. Johnson & Fils—and one could extend the list.

Arbitrarily we choose to speak of the House of Calvet, and in the devotion of this family to wine there is something reminiscent of the Japanese House of Mitsui which, as was pointed out in the March FORTUNE, has made of trade and banking almost a religion.

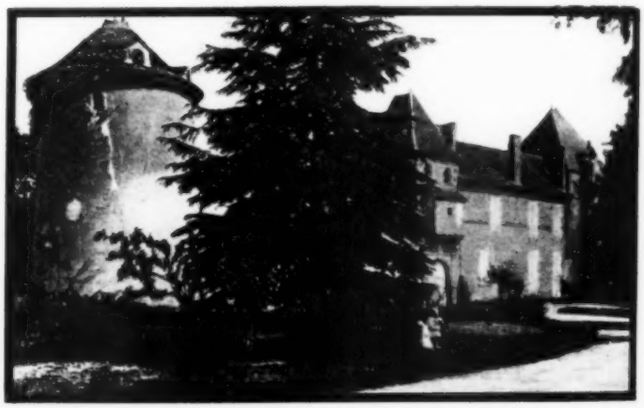
Without exception all four sons of M. Jean Calvet have entered and are busy with responsible positions in the firm. The eldest heads the Argentine branch, and beside this stands a tall story. The first agent sent by the House of Calvet to Buenos Aires, almost a century ago, became so impressed by the possibilities of real estate speculation that he squandered all the sums entrusted to him on likely plots, and presently returned to Bordeaux extremely penitent, a confessed embezzler, with nothing to put in his employers' hands but the deeds and titles to real estate which was then frozen solid, impossible to liquidate.

Many years later the House decided to ascertain what it possessed in Buenos Aires for, being immersed in their wine business, the Calvets had all but forgotten that they owned real estate in the Argentine, and had written it off as a loss. They discovered that the city was developing in such a way that their property would soon reach its present enormous value. To consolidate themselves in Argentine hearts and seize this opportunity to expand their business in a new sphere, they gave certain real estate which the city wished to buy for parks and boulevards quite gratis. As a result practically the entire Argentine Navy later steamed across the Atlantic, up the broad Gironde to Bordeaux and, anchoring off the Calvet wine wharf, blazed away a salute to M. Jean Calvet. On the day that a member of the House lands at Buenos Aires he receives an invitation to dine with the President of the Republic, no matter which party is in power.

Messieurs Daniel, René, and André Calvet are the sons who remain in Bordeaux. True sons of France, they live with their parents—Daniel his beautiful Basque wife and babies, the bachelors René and André, all *en famille*. Their residence is the enormous, stately, formal Château Tauzia, designed, and the spacious park landscaped by an architect who did similar work for Louis XV at Versailles. Here several hundred American troops were accommodated in 1917, and, against the protests of their officers, who

[*Continued on page 118*]

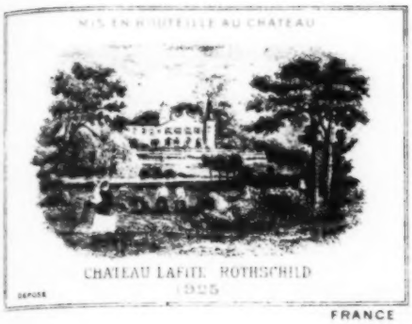
A "WINE LIBRARY"



CHATEAU D'YQUEM: EMPEROR OF WHITES

CHATEAU MARGAUX: POET OF REDS

Chaste as Tiffany Windows Are the Labels on Greatest Wines . . .



PREMIER CRU

GRAND PREMIER CRU

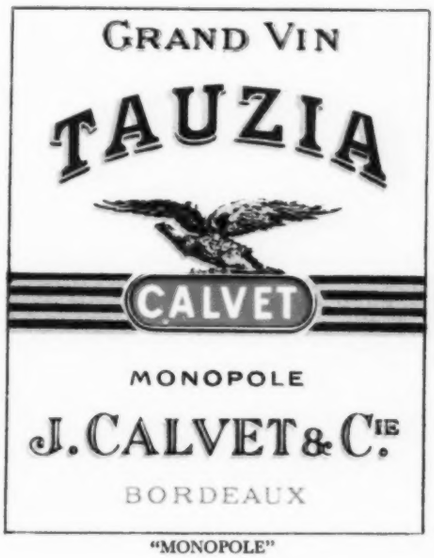
PREMIER CRU

PREMIER CRU

PREMIER CRU

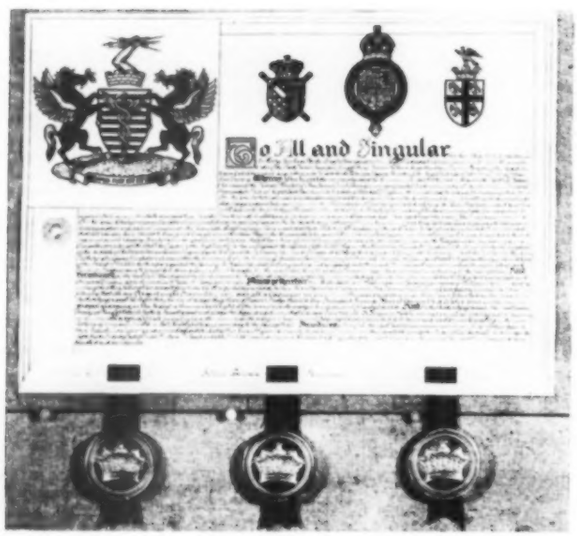
More Gaudy the Second Best . . .

DEUXIÈME CRU



"MONOPOLE"

DEUXIÈME CRU



THE LONDON TIMES COAT OF ARMS: *a shield, silver, with eight bars of black (the printed page). Over all a Caduceus, the staff of Hermes, in pale gold (the news-bearing function of the Times). Supporting the shield on either side a Pegasus, "sable, wingéd, crined & unguled or" (the inspiration of the Times—but whence it issues is not shown). Above, the Badge—an arm issuing from a mural crown (the buildings of the Times are within the City) and wielding a thunderbolt of gold (the "Thunderer," as of old the Times was known). The motto: "Tempus Fuit Est et Erit" (referring to the words: TIMES PAST, THE TIMES, and FUTURE, which appear as titles of three books used as ornamentation for the headpiece of the paper's news index. This headpiece, carved in stone, appears on the Times building and is shown on page 64. No other newspaper in the world has been given armorial bearings by a College of Arms, although the gesture was foreshadowed in 1927 by the Bulgarian Government, which issued a postage stamp bearing the portrait of Bourchier, London Times Balkan correspondent. At the left is shown a reproduction of the actual grant from the College of Arms to the Times, "to be borne and used for ever hereafter for the Times Publishing Company, Limited on seals, shields, or otherwise . . . "*

The Times and The Times and Their Times

A comparison of the two greatest newspapers of the world's two greatest cities, showing that while the *Times* of London may never net $7,000,000 in a single year, the *Times* of New York will never be granted a coat of arms.

THERE was a thunderstorm in the valleys west of Verona at four o'clock in the afternoon of the twenty-fourth of June, 1859. The heat of the sun had been very great, and the wounded in the houses of Castiglione lay with their faces toward the darkened doors and the rain. From the church tower where Louis Napoleon had stood all day the rise of ground toward Solferino was hidden. The sound of the guns was dulled by the soft sound of the water. It was said in the town that the Austrians had withdrawn.

In the door of a house, writing on a pad, was an American named Raymond, a small, brisk man with a ruffle of whiskers round his chin. Somewhere, unseen by him but continuously present in his thought, was an Englishman, the correspondent of the *Times* of London, also writing. What the correspondent of the *Times* of London was writing was The Truth About the Battle. Until it was published in London and sold in New York and Berlin and Madrid, there would have been no battle. The correspondent of the *Times* was as essential to the authenticity of the occasion as Louis Napoleon or Francis Joseph or Victor Emmanuel or the dead French Guards on the rise of ground beyond the shadow of the rain. And all this Raymond knew. And was about to change. Raymond was himself the correspondent (and the editor) of the *Times*—the New York *Times*—previously the New York *Daily Times*, eight years old that year. And it was his purpose to publish in the New York *Times* an account of that day's engagement which should appear in New York before the *Times* of London appeared there and which should, as accurately and as movingly as the *Times* itself, report the Truth. He succeeded. The military messenger who carried Louis Napoleon's victorious dispatches and the solemn utterance and judgment of the *Times* in one pocket carried Mr. Raymond's impertinence in the other. Mrs. Raymond received it in her Paris hotel and delivered it to the mail boat out of Liverpool with her own hands. It arrived in New York on July twelfth and had been printed, read, and forgotten before the corresponding copy of the *Times* of London had reached New York.

What Mr. Raymond had accomplished was certainly an impertinence. The *Times* of London was not only a great newspaper in 1859; it was *the* great newspaper. It was then seventy-four years old. Its circulation was well above that of all its London competitors combined. It had sent the first of war correspondents, the great Henry Crabb Robinson, to Germany and the Peninsula and had brought his dispatches into England by private cutters, French fisherman, and paid smugglers in spite of Pitt and the devil. It had attacked the Slave Trade, supported the Reform Bill, and exposed, at its own very considerable expense, the most spectacular of schemes of international forgery, winning thereby the everlasting gratitude of the merchants of London and an imposing commemorative tablet. It had published the Crimean dispatches of its correspondent, William Howard Russell, and those dispatches, with their vivid and convincing description of the hardships of the campaign, the stupidity of authority in the field, and the smug, patriotic impotence of the Government at home, had drawn Florence Nightingale to Scutari and shaken the stones of the War Office. The *Times* of London was already an institution and an independent power in the world. No one knew beforehand what it would say except that "it would be something well-informed and definite." No one knew, or was supposed to know, who wrote for it. Correspondents who had breakfasted together passed each other without recognition in its halls. It was as anonymous as the Church, as grave as Virtue, and as right as Jove. It was called the "Thunderer."

And the New York *Times* was nothing. It was a beginning. Its great journalistic triumph prior to 1859 had been its appropriation of the *Herald's* account of the *Arctic* disaster, and its influence in public affairs had been limited to the repair of the local streets. It had a long way to go before it would have anything but its name in common with the *Times* of London. But once set upon the way by Raymond, it traveled fast. In 1870 the exposure of the Tweed Ring brought it enormous prestige and at last a mounting circulation. It began to make money and to pay dividends up to 90 per cent or 100 per cent on its $100,000 capitalization. And had it not been for the unfortunate combination of a new building, a shift to a new political party (the *Times* retired from the Republican Party and assumed an independent Democratic position in 1884), and a panic, it might have reached a position comparable to that of the *Times* of London by the end of the century. As it was Mr. Adolph Simon Ochs, owner and editor of the Chattanooga *Times*, bought it for $75,000 in 1896. At the time of the purchase the New York *Times* had a circulation of 19,000 copies, half of which were usually returned, and a daily deficit of $1,000. It was under the control of Mr. Ochs that the upper reaches occupied by the *Times* of London were eventually attained. A great newsgathering fabric was built up. Prestige was accumulated. And the New York *Times* became in its turn an institution. But an institution, even yet, with a difference. Less an organ of expression than an organization for the sale of news. In the first twenty-five years following the purchase of the *Times* by Mr. Ochs its circulation rose to 350,000 and its annual receipts to $15,000,000 (of which only 3 per cent was paid out in dividends). It took on a corporate importance. Its individual writers were absorbed into the general solidarity. But if the weight and anonymity of the *Times* of London seemed to invest it, they invested it for different reasons. The anonymity of the New York *Times* was not a device to hide the personalities and powers of its writers, most of whom were anonymous in their own right and none of whom were men of great personal influence or noticeable literary attainments. And the ponderosity it displayed was not the effect of its political responsibilities, but

the natural and common result of business success and size.

In the meantime, however, the *Times* of London was itself changing. John Thadeus Delane, who had been made editor at the age of twenty-three, had fought the Stamp Act and the tax on paper and with their repeal had brought the price of his journal down from 5d to 4d to 3d, and his circulation (in 1864) up to 66,000. Thomas Chenery, professor of Arabic at Oxford, who succeeded him, had employed the great Henri George Opper de Blowittz, of Blovice, Bohemia, most melodramatic and mustachioed of special correspondents, whose abstraction of the unsigned text of the Treaty of Berlin from under Bismarck's nose was a European wonder, and whose publication of a communication privately received from the French Minister of Foreign Affairs is said to have prevented a second Franco-Prussian war. George Earle Buckle, Fellow of All Souls College, Oxford, had succeeded Chenery. John Walter III, son of John Walter II, son of John Walter I, coal merchant, underwriter, printer, and founder of the *Times*, had in his turn died to be succeeded as proprietor by Arthur Fraser Walter, his son. And in the year 1908 the whole, ancient fabric had, after the failure of various undignified devices for the inflation of circulation, such as the circulating Book Club, fallen flat. Lord Northcliffe bought the pieces where they lay for £320,000 ($1,552,000) cash. From that time until the death of Northcliffe in 1922 the *Times* was a kind of monster, an amalgam of unrelated limbs. Part of it jigged like Northcliffe's two-time *Daily Mail*. Part of it paced like Chenery's Victorian columns. Editors changed. Buckle was invited to devote his attentions exclusively to his *Life of Benjamin Disraeli*. His successor, Geoffrey Dawson, also a Fellow of All Souls, invited Northcliffe to find another editor. H. Wickham Steed followed upon Dawson. In 1922 it was only too evident to all right thinking persons that a similar hurly-burly must never be allowed. The controlling interest was therefore purchased from the Northcliffe estate for £1,350,000 ($6,547,500) by the Honorable John Jacob Astor and John Walter IV. Shares owned by Sir John Ellerman were bought for another £200,000 ($970,000). And a committee was established to see to it that the present owners of the shares should never part with them at any sacrifice of "the best traditions and political independence of the *Times*" or of the national interests, and to eliminate from such transfers, "so far as reasonably possible, questions of personal ambition or personal profit." The members of the committee were to be, ex-officio, the Lord Chief Justice of England, the Warden of All Souls College, Oxford, the president of the Royal (Scientific) Society, the president of the Institute of Chartered Accountants, and the governor of the Bank of England. That the present incumbents of these offices accepted the rather curious responsibility of seeing to it that Major Astor and Mr. John Walter or their heirs and assigns should sell their shares only to public spirited gentlemen like themselves, is a most forthright and conclusive witness to the institutional and public character of the *Times*. One would say that nothing remained but to bestow a coat of arms. On December 23, 1929, this was done, and the *Times* was granted the first coat of arms ever bestowed upon a newspaper.

These committees and the adornment of a coat of arms are not without their pertinence to a comparison of the corporate qualities of the London and the New York *Times*. It is not solely because the United States Government supports no College of Arms that the New York *Times* will never have a coat. The United States is familiar with the uses of committees. But it is inconceivable that the Chief Justice, the governor of the Federal Reserve Bank of New York, the president of the American Academy of Arts and Sciences, the dean of Harvard College, and the president of the U. S. Chamber of Commerce should agree to serve upon a committee to prevent Mr. Adolph S. Ochs, his son-in-law, Mr. Arthur H. Sulzberger, and the members of his family holding stock in the corporation, from selling their shares to persons of less public interest than themselves for motives of private profit.

THE NEW YORK TIMES

Mr. Ochs finds virtue to be its own (but not its only) reward.

The New York *Times* is called the most valuable newspaper property in the world. The Chicago *Tribune* calls itself the "World's Greatest Newspaper." Neither description is just, although, reversed, each would be more nearly appropriate than it is. The Chicago *Tribune* makes more money, at present, than any other newspaper in the world—probably not less than $7,000,000 per annum. And the New York *Times* is certainly the world's greatest business exclusively devoted to the collection and sale of *news*. But the measure of a great newspaper is not so simply taken.

The gross income of the New York *Times* in 1929 was probably close to $40,000,000, including some 32,000,000 lines of advertising at about $1.00 per line—there being fourteen "agate" lines to the inch. (In this discussion we omit entirely any consideration of the company's revenue from valuable real estate or from such other sources as its large interest in the Spruce Falls Power & Paper Company.) While normally a 10 per cent profit in such a competitive market as New York would be close to the limit, it is probable that in 1929 the New York *Times*' net profit was $6,000,000, or even $7,000,000. By general pre-stock market crash standards, the *Times* might have been valued at fifteen time earnings, which would have made it worth the resounding and magnificent sum of one hundred million dollars—$100,000,000. Even if the Chicago *Tribune* made more than $7,000,000 (as some local enthusiasts imply) it would not necessarily be deemed worth one hundred million—unless the future of the *Tribune* is greater than the *Times*.

All this, of course, is in sharp contrast to the ideas of only a few years ago. Then, few people would have dreamed of paying more than five times earnings for such a queer business as a newspaper.

Today, with more recent ideas deflated, good estimators do not revert to the five-times formula, but they are still reluctant to value any "industrial" at more than ten times earnings. The ten-times formula would, therefore, value the New York *Times* at about $60,000,000. On the one hand Mr. Ochs might—one would suppose he would—refuse that price. But, *per contra*, it would be a bold soul who would pay that price with the implied boast that his genius could more than justify the price over the period of a generation.

The *Times*, in short, is perhaps the classic example of the unpurchasable. Money cannot buy it because, in money, it is worth so much: the great paradox of our age. But aside from the colossal nerve which would be involved in buying (and hence placing a value on the *Times*) there is grave reason to suppose that, like some other industrials (such as Fleischmann's Yeast which already goes to dealers covering 95 per cent of the United States), the *Times* may have nearly exhausted its possibilities for growth. The average number of pages in a daily issue last year was 55.41. Sixty-four pages is now thought to be the limit—of course, sixteen was once considered maximum. Nor is any maximum assured. During the first three months of 1930, the *Times* coined 16.05 per cent or nearly $2,000,000 less advertising than in the corresponding months of 1929. Being in a position where it *can* lose much more than it is likely to gain, any such sum as $100,000,000 is fantastic—although, aside from sentiment, Mr. Ochs might still refuse $50,000,000.

In comparison with such sums the *Times* of London is, of course, nowhere. Its profits for the year ending in June, 1929, were £331,592 ($1,608,221), for the preceding year £272,274 ($1,320,529), and for the year before that £225,855 ($1,095,397). It carried 7,676,000 lines of advertising in 1929—between a quarter and a fifth of that carried by the New York *Times*, and its circulation was 185,000 as against 155,000 in 1918, an increase of 20 per cent (which is almost the percentage of increase in the circulation of the New York *Times* in the same period). Even granted that it has not yet reached the dangerous bulk of the New York *Times* (it averages twenty-four to thirty-two pages,) it is yet doubtful whether its possibilities of future expansion are very much greater than those of the New York paper. For the *Times* of London, even more than the New York *Times*, has a limited public, the public of rentiers and professional men and land owners, which is not increasing in either numbers or power in present-day England. Nevertheless, the dividend and profit record of the *Times* is impressive. In 1922 when the present owners purchased it for £1,550,000 ($7,517,500), it was paying dividends on its preferred shares only (£320,000 [$1,552,000], out of the £1,000,000 [$4,850,000] authorized shares) and its net profits were only £1,339 ($6,494). Since that time it has paid from 6 per cent to better than 8 per cent on its preferred shares and up to 15 per cent on its common shares. Conceivably, therefore, a purchaser would be willing to pay ten times present earnings for the property, i. e., about £3,500,000 ($16,975,000). But even so the superiority in value of the New York *Times* is striking enough.

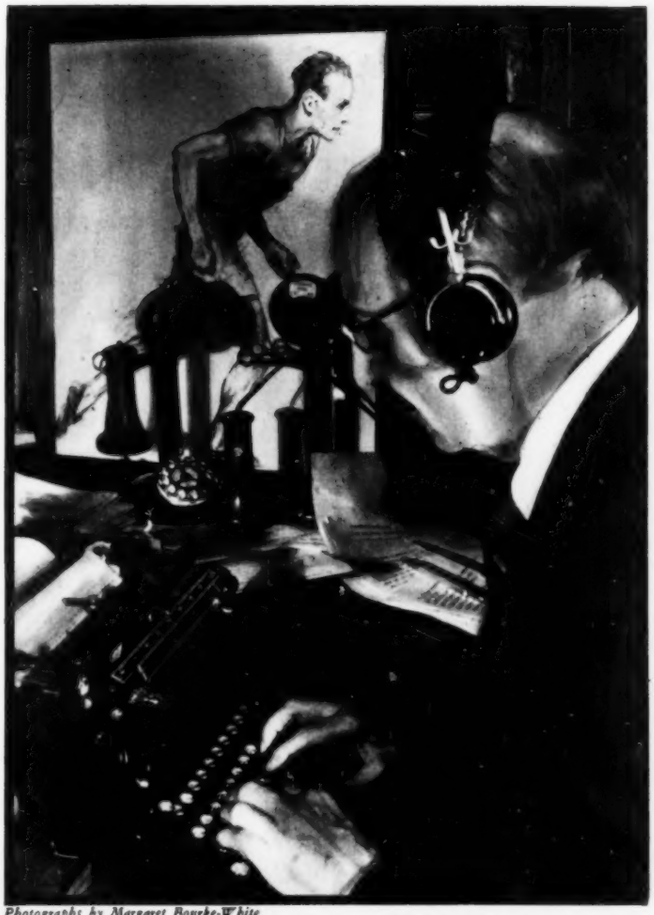
The financial success of the New York *Times* is the great proof of the adage that virtue is its own (but not its only) reward. Mr. Adolph

CARNEGIE LIBRARY OF ATLANTA

Ewing Galloway
THE BEGINNING OF NEWS—REPORTERS AND THEIR NOTEBOOKS

P. & A. Photo
COPY DESK, WHERE NEWS IS HEADLINED

Ewing Galloway
IN THE LINOTYPE MACHINES, THE NEWS BECOMES TYPE



Photographs by Margaret Bourke-White
RAW NEWS RECEIVES ITS FIRST REFINING AS IT IS TELEPHONED BY THE REPORTER TO THE REWRITE MAN

NEWS, AS TYPE, IS MADE UP INTO A PAGE. STRICTLY SPEAKING, NO NONUNION MAN, NOT MR. OCHS HIMSELF, CAN TOUCH TYPE

Simon Ochs came to New York from Chattanooga with an idea and $75,000 worth of credit. With the credit he purchased the then almost defunct New York *Times* and with the idea he built a great journal. The idea was, in the phrase of the late Melville Stone, that decency means dollars. "If a sincere desire," said Mr. Ochs in his statement of policy, "to conduct a high-standard newspaper, clean, dignified, and trustworthy, requires honesty, watchfulness, earnestness, industry, and practical knowledge applied with common sense, I entertain the hope that I can succeed in maintaining the high estimate that thoughtful, pure-minded people have ever had of the New York *Times*." This was in 1896. In 1896 Mr. Pulitzer's *World* and Mr. Hearst's *Journal* were "yellows" with enormous circulations, screaming headlines, and a content which, if it would not make a modern newspaper reader wince, was enough to shock most of the decent citizens of the nineties. Mr. Ochs' manifesto was directed against these journals and his motto "All the News That's Fit to Print" was meant to stand as a daily condemnation of their methods. Also it was applied in practice. Mr. Bryan was never again, after Mr. Ochs' purchase, referred to as the "gifted blatherskite from Nebraska" in the columns of the *Times*.

Sport & General
MONTAGUE NORMAN, GOVERNOR OF THE BANK OF ENGLAND

Sport & General
SIR ERNEST RUTHERFORD, PRESIDENT OF THE ROYAL SOCIETY

But it was much more than a victory over yellow journalism that Mr. Ochs was preparing. The Lord was on his side, and a future that Mr. Ochs never foresaw was waiting to bless his labors. He was right, as the event proved, in supposing that a considerable proportion of the people of New York would prefer a decent statement of fact to a routine of prurient scenarios. What Mr. Ochs did not foresee in gambling on the news as against mere journalistic liveliness was that, with the 20th century, there would "break" a series of great news stories of such importance and interest and excitement that the paper which was prepared to handle them would easily leave its other-minded competitors in the dust. And a second thing which Mr. Ochs could hardly have foreseen was the great 20th century American appetite for Instruction, the appetite which has called forth the Book Clubs and the Chautauquas and the Current Events Clubs and the Little Theaters, and the biographies and the biographical novels and the anthologies and the Outlines of Science and the Outlines of Philosophy and the Outlines of History and the Outlines of Outlines and the whole overwhelming mass of informative information. To such a public the serious and decent newspaper is almost sacred. And to such a public the *Times* appeals. When, for example, as during the Naval Conference and the Byrd Expedition, the *Times* forces upon its readers news (and hardly news) of the least possible interest, they are grateful. They realize that it is done for their own good. And they receive it chastened and with thanks.

There is such an element of chance or heavenly intercession in the lives of all successful men. But in the life of Mr. Ochs and his *Times* it lifts so large that Editor-Dr. John H. Finley's jocular intimacy with the Lord and cozy ease in His presence, which are manifest in his composition of a versified "Grace Before Meat" for the *Times*' table, seem somehow quite appropriate and just.

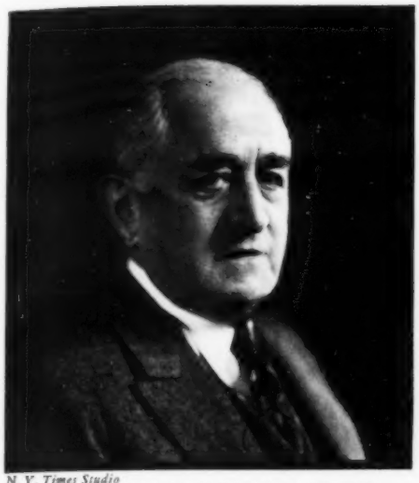
"O Lord, the Giver of All Good
In whose just Hands are all our Times,
We thank Thee for our daily Food
Gathered (as News) from many Climes.
Bless All of Us around this Board
And All beneath this ample Roof:—
What we find fit to print, O Lord,
Is, after all, the Pudding's Proof."

Mr. Ochs' conception of decency and editorial honor led him to other disciplines than those of news and to other rewards. He refused to print deceptive or improper or untrue advertising. It was a great and radical step and one that seemed bound to lead to bankruptcy. Even the

Sport & General
F. W. PEMBER, WARDEN OF ALL SOULS COLLEGE, OXFORD

SIR WILLIAM PLENDER, PRESIDENT OF THE INSTITUTE OF CHARTERED ACCOUNTANTS

Sport & General
LORD HEWART, LORD CHIEF JUSTICE OF ENGLAND



N. Y. Times Studio
ADOLPH S. OCHS, PUBLISHER OF THE NEW YORK TIMES

Underwood & Underwood
ARTHUR HAYS SULZBERGER, SON-IN-LAW AND POSSIBLE HEIR TO MR. OCHS

N. Y. Times Studio
DR. JOHN H. FINLEY OF THE TIMES COUNCIL

best English papers, even the *Times* of London, published (and still publish) medical advertisements of doubtful merit. And the London practice of accepting pay for advertising that appears as reading matter has not yet gone out. But Mr. Ochs felt himself under obligation in his advertising as in his news columns not to deceive his readers, and he acted accordingly. Nothing is more to his credit than his refusal, on occasions when he could hardly have afforded to refuse, of advertising patronage of which he disapproved. And if he has profited by his courage, if the effect has been to make an advertisement in the *Times* to some degree a guaranty of honesty and therefore more valuable to the advertiser, he deserves the reward. The *Times* itself, in its *History*, is as frank as the most carping of its critics could be: "In this matter, too . . . the conductors of the paper have always felt that good business and good morals were identical. If it is morally dishonest to permit advertisers to dictate the policies of the paper, it is likewise commercially ruinous in the long run . . ."

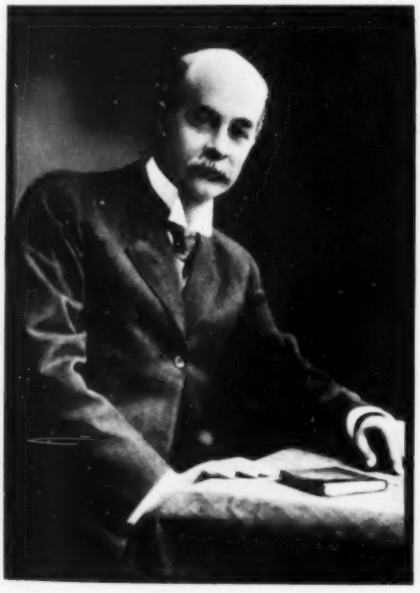
The *Times*, which is to say Mr. Ochs, is therefore chiefly responsible for one of the greatest and most honorable changes in modern journalism. The advertiser who still believes that he can, or should be allowed to, dictate in any measure the policy of a paper is as ignorant and short-sighted as he is coarse. Only by maintaining its independence and its virtue can a paper make effective the notices it publishes. In 1901, when the circulation of the *Times* was only 100,000 and its advertising less than 5,000,000 lines, Mr. Ochs wrote to a meddlesome advertiser a letter which deserves to be set forth in full:

"You must excuse me from discussing with you the policy of the New York *Times*. It is a subject we do not care to discuss with an advertiser. We consider it a privilege to anyone to be permitted to make an announcement in the columns of the *Times*, aside from the fact that our rates for advertising space are far from commensurate with the service rendered. If the New York *Times* as it appears every day is not a sufficient recommendation for the use of its columns by advertisers (such as we will accept), assurance otherwise would be of little or no value.

"We do not want to sail under false colors. The New York *Times* is not published solely for the purpose of attracting advertisers. We hope, however, to attract by the number and the class of our readers. We are seeking to secure the good-will and confidence of intelligent, discriminating newspaper readers. The advertiser is a secondary consideration. We take great pride in the knowledge of the fact that we have succeeded in impressing the honesty of our efforts upon the largest number of the best citizens of this city, representing both readers and advertisers. Of course, there are some exceptions. Among the latter class a conspicuous example is yourself. You seem to wish that the New York *Times* should go about as a mendicant, begging for advertising patronage. We will never do anything of the kind and are happy to say there is no occasion for our doing so.

"This all leads to the statement that if your advertisement remains out of the New York *Times* until you have some assurance other than the paper as it appears every day, as to the policy of the publisher, the *Times*, as long as it is under its present management, will endeavor to get along without your business."

With increasing size and wealth the freedom of a newspaper obviously becomes greater. The *Times* in 1929 rejected over $350,000 worth of advertising it considered improper, and over 500 financial firms. Its means are such today that no corporation or business could hope to influence it. And it should be, with its position and its ideals of news, as unbiased a publication

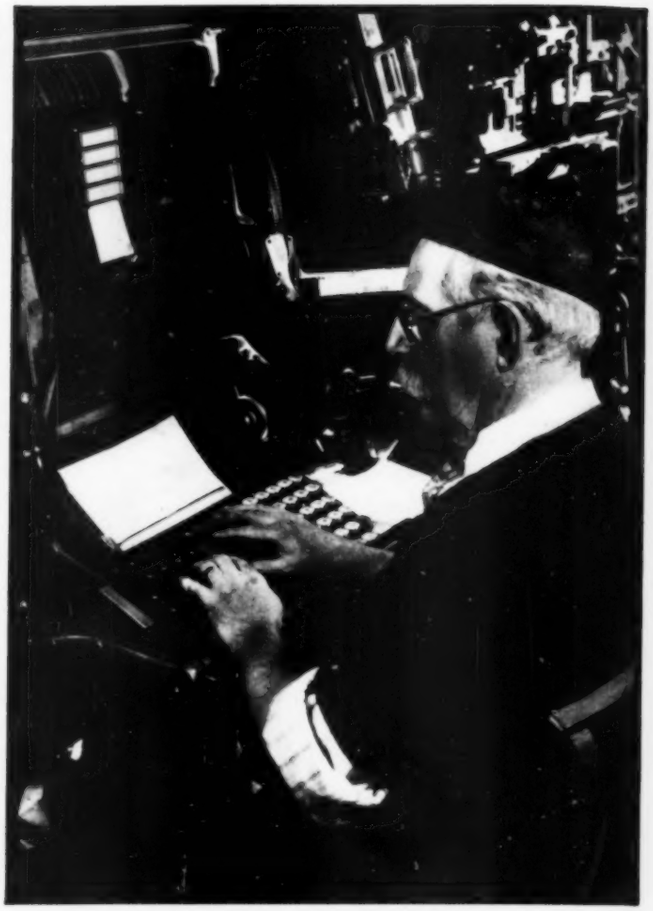


ROLLO OGDEN
EDITOR-IN-CHIEF

Wide World
LOUIS WILEY
BUSINESS MANAGER

Photograph by Margaret Bourke-White

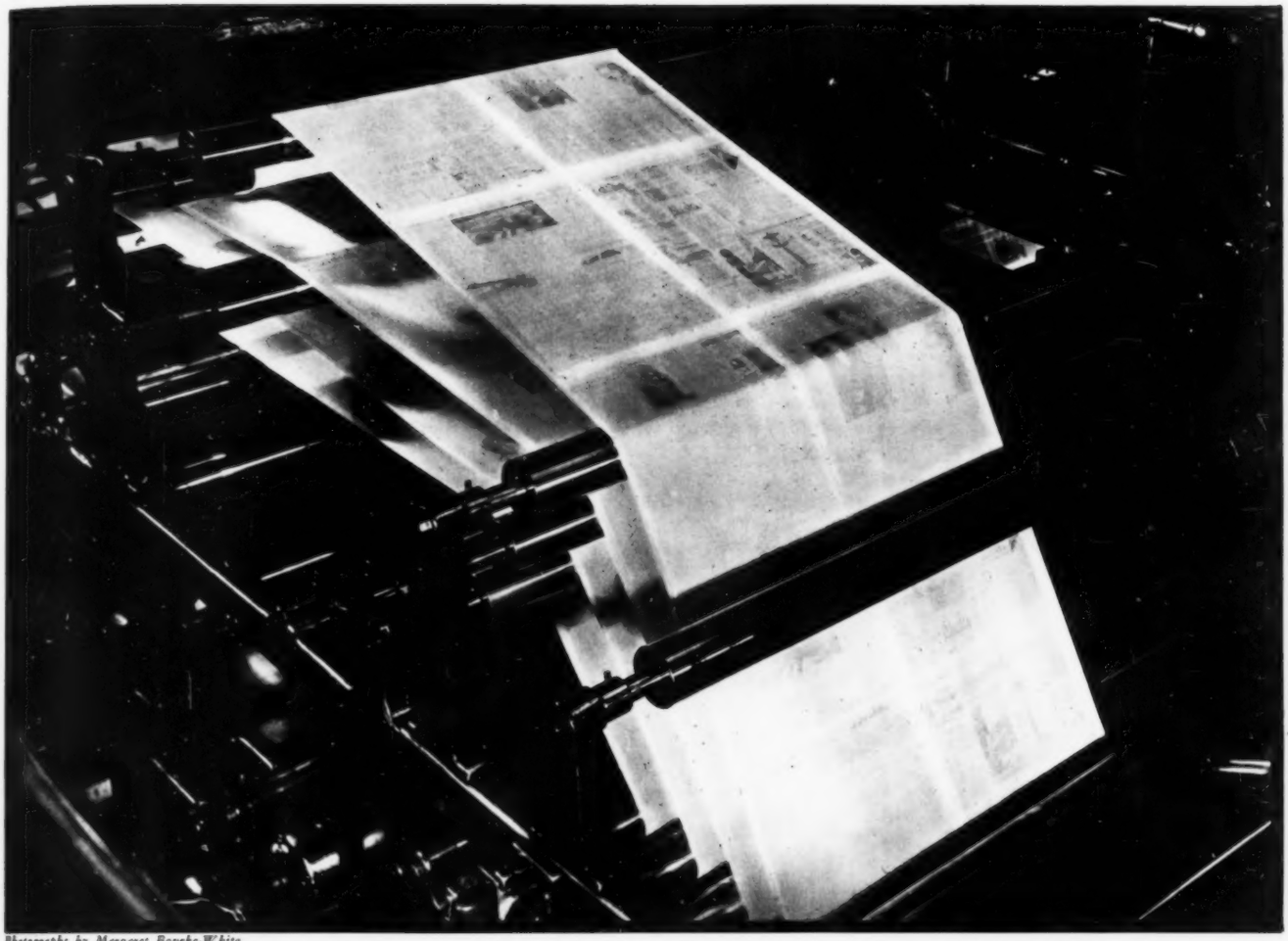
TURNING THE NEGATIVE FOR THE HALF-TONE CUT



A VETERAN LINOTYPIST CAN SET 1,500 WORDS AN HOUR

THE ART DEPARTMENT SCALES COPY TO FIT IN TWO COLUMNS

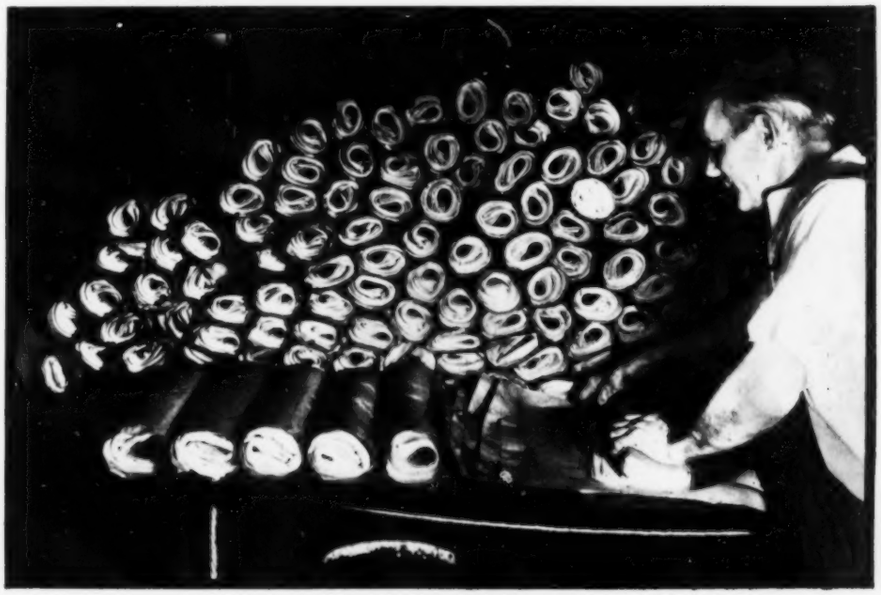
ROUTING TO LEAVE ONLY THE SURFACE WHICH SHOULD PRINT



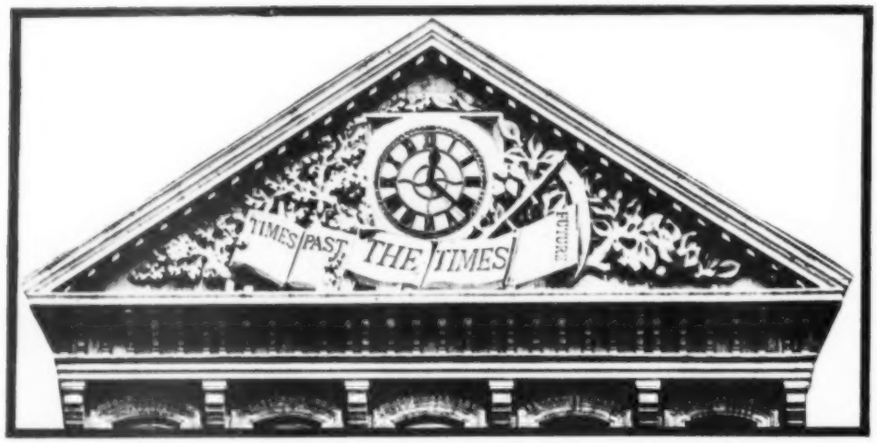
Photographs by Margaret Bourke-White

THE NEWS, TYPE SET IN A PAGE AND PLATED, IS MADE INTO A NEWSPAPER ON GIANT *WOOD* PRESSES

THE PROOF READER HUNTS A MISTAKE



NEWS GOES TO THE COUNTRY



PEDIMENT OF THE LONDON TIMES BUILDING IN PRINTING HOUSE SQUARE

as any reader could desire. But the means of independence are themselves a restraint. As the *Times* has grown rich it has taken on (it always had the inclination) a rich man's mentality. Its more radical (and perhaps most prejudiced) critics believe this mentality to have affected even the high neutrality of its front page. During the Communist Revolution in Russia, for example, the *Times* reported, according to Mr. Oswald Garrison Villard, "that Petrograd had fallen six times, been on the verge of capture three times more, been burned to the ground twice, been in absolute panic twice, and in revolt against the Bolsheviks on six different occasions—all without the slightest foundation in fact." To which Mr. Villard adds, "Only in the columns of Hearst could one find a record to equal this." At present Mr. Walter Duranty, the best of its correspondents and much the best of its writers, sends considerably more accurate news from Russia. But the social complexion of the *Times* has scarcely changed: it still gives undue space to the nightmares of the witch-burners and the discovery of propaganda plots, and it still shies like an oat-fed horse at a red banner.

Also it has taken to the excathedral manner so frequently observed among persons of power and great influence. And not in the editorials alone. Mr. Edwin L. James, head of the *Times* European bureau and long its Paris correspondent, a man whose amazing power of penetrating the intentions of the French Foreign Office was only equaled by his capacity for assimilating its publicity, reported the London Naval Conference with such Bismarckian asides as, "How much simpler, how much easier, and how much more effective was it to let the others blow off steam and rest with dignity on our claim for parity with the greatest other navy." And "As we did today we shall listen sympathetically and in readiness to give our advice. And when they are ready to reduce we will talk business." As the excellent and subtle newspaper critic of the *New Yorker* neatly observes, "There really was no need to have sent anybody but Mr. James to London."

It is the richness, material and verbal, of the *Times*, and the saying that the *Times* is merely the manifolded shadow of Mr. Adolph Simon Ochs, that leads people like Upton Sinclair to depict Mr. Ochs as the archreactionary. In practice he is no such thing. He has taken more business chances than most men; and two of them, his gamble on the appeal of sober news, and his gamble on the value of clean advertising, were radical enough in their day. The truth of the matter would seem to be that Mr. Ochs is a constructive and practical man whose purpose was to build up a great business (devoted to the sale of news); who succeeded magnificently; who has, as a result, a very great stake in the existing order. And also that the business is now more important than its creator, and weightily unresponsive to his personal views. Mr. Ochs set out to create an institution, and he created one. It is hard to believe that the shadow does not now fall in the other sense—from the Times Building across the shoulders of Adolph Simon Ochs.

It certainly falls across the shoulders of his subordinates. Only one or two of them are visible beneath. Mr. Rollo Ogden, editor-in-chief, is a mild and kindly gentleman who refuses to betray his presence by so much as a gesture of his own. He is a graduate of Union Theological Seminary, a former Presbyterian minister and missionary (to the Mexicans), and the ex-editor of the New York *Evening Post*. He claims to feel radically on only two subjects, reformed spelling and experiment with the rules of golf, to both of which he is opposed. The *Times* editorial page is said to be less camphorated under Mr. Ogden than in the days of Charles R. Miller, but the difference, if it exists, is faint. Mr. Carr V. Van Anda, the managing editor, has a great reputation among newspapermen and is credited with the organization of the newsgathering service for which the paper is chiefly famous. Mr. Arthur H. Sulzberger, husband of Mr. Ochs' only daughter and his probable successor, is a young man of parts and presence, who does not, as yet, permit himself to talk about the *Times*. Mr. Julius Ochs Adler, nephew of the owner and vice president and treasurer of the corporation, is a military man with an honorable record and patriotic views. The *Times* is greater than them all. But not than Mr. Louis Wiley.

Mr. Louis Wiley has been the business manager of the paper for thirty-four years. If any man in America has a monument he has one. And he is sixty, an age when monuments are frequently in mind. But Mr. Wiley is too busy about a great number of very exciting and entertaining and absorbing things even to think of the subject. He is probably more engaged in living than any man of his years in New York or out of it, and he hasn't come to the end yet. Dancing is his great love, but when there is no dancing to be done he will dine out or sit in a theatre or even attend a reception. He goes out every night in the month but one, and that one he has the world in to dinner. He is very small, a Jew, and strong and energetic as many small Jews are. He talks well. He knows everyone. A hall in his Park Avenue bachelor apartment is lined with signed photographs of the great and framed awards of his own degrees and orders, and the names of persons of importance are always in his mouth. And yet he never gives the impression of toadyism and valetdom that such practices usually carry. He is simply interested in great men and great names. He prefers people to objects and famous people to others. "What I really like best," he observes with a well-practiced look, "are attractive young women."

He came to the *Times* from Rochester. His father was a clothing merchant in Hornell, New York, and Mount Sterling, Kentucky, in which latter town Louis Wiley began newspaper work. "Mount Sterling," says Mr. Wiley, "had and still has a population of two thousand. I prefer

[*Continued on page 126*]

Wide World

TIMES ANNEX, MANHATTAN

CARNEGIE LIBRARY OF ATLANTA

Paper & Power

Holding an empire which begins six inches above the ground and ends in the tree tops, I. P. & P. makes paper with one hand, power with the other. Guiding both enterprises is the able Mr. Archibald Robertson Graustein.

THIS is Eagle Depot: a cluster of twenty-four log-walled buildings capping a loaf-shaped hill. It is a long way from New York. Take the sleeper for Ottawa. Look at Parliament Hill and the Victory Tower. Then look north, up the Gatineau. Through thick forests and deep snow. Along the Brule where mighty trees burned and where the wind now whips cruelly through the bush. To Eagle Depot, the huts, and the hill.

Behind Eagle Depot is a ridge and on the crest of the ridge is a tower and from the top of that tower the eye can span 700 square miles of wood and ice. Scattered through the forest are seventy-eight camps. Each morning at dawn they disgorge men who people and space the wilderness. Quite literally, they people it, for no man lives in Eagle District for pleasure. Quite literally, too, they space it, for with them they carry danger. In the form of axes and saws. In the form of falling trees. In three and a half months these men (some 300 in the Eagle District) will fell 800,000 trees, which is just over 2,650 trees per man. Eight or nine minutes is sufficient time in which to fell a ninety-foot spruce, nine minutes from the first chip of the notch to the thundering crash of the tree's impact on the ground. While it is still settling into the snow, the team (two men constitute a team and always work together) begins to cut away its branches and saw it into sixteen-foot logs. Each log is branded, like a steer.

On sleds the logs are hauled to the river. Here they wait, mountain-high, snow-capped, until the ice melts beneath them and they start their long, tortuous drive to the Ottawa. In sixty days of hauling, last year, 2,400,000 logs were piled thus upon the waters of the Eagle alone. So tremendous the harvest of the men with saws. So potent the hill and the huts.

But other piles dot the rivers to the east and to the west. And to the north, as far from Eagle Depot as Grand Rapids is far from Chicago. Throughout the vast Gatineau valley are 331 camps from which, at a 30-degree-below-zero dawn, the teams emerge. Upon the frozen rivers rise 331 such mountains, crumbling as the ice goes, forming 331 avalanches of spruce and pine and balsam, splashing into the swift streams of the valley.

Five out of six of these logs, these great beheaded trees, go to one mill, to be distilled into paper for one company. Last year, 8,000,000 logs were driven by 3,700 men to the Gatineau mill of the International Paper Co. Their immediate destinations were the digesters and giant rollers of the world's second largest newsprint mill. Their ultimate destinations were the morning papers of 10,000,000 North American literates.

Photographs by Margaret Bourke-White

AT DAWN EACH DAY WITH AX AND SAW . . .

International Paper Company

This is the empire of the International Paper Co., one of the largest single industrial holdings in the world. Beside its 35,400 square miles, the plantations of Ford in South America, Firestone in Liberia, United Fruit Co. in the Caribbean seem insignificant. It is larger than eleven of the United States and larger than sixteen of the independent nations of the world.

One curious fact limits it. International Paper *owns* comparatively little of this land. This forest empire, colossal though it be, is yet a *forest* empire and not a domain. It begins exactly six inches above the surface of the Canadian earth and ends where the highest branch shivers in the Canadian wind. Between these two lines, International may chop and saw as it will (observing certain limits of size), but when a giant spruce crashes, it falls on land which *belongs* to the provinces of Canada. The province holds this land, may some day divide it into homesteading tracts for future generations

A SLICE OF I. P. & P.'s 700-SQUARE-MILE SPRUCE PIE IN THE VALLEY OF THE EAGLE RIVER

IN NINE MINUTES, THIS TREE WILL CRASH TO THE GROUND TO BECOME PULP FOR I.P.&P.

of Canadian settlers. In the meantime it leases its rich timber to the paper companies at a yearly rate (in Quebec) of about $8.00 a square mile.

Of newsprint alone International normally ships about 700,000 tons a year. From the Gatineau mill come 600 tons a day, the distillate of 8,000 spruce trees, enough to make 3,400,000 copies of the New York *World*. Even bigger than Gatineau is the mill at Three Rivers (where the St. Maurice meets the St. Lawrence); this is the world's largest, with a daily capacity of 700 tons. International produces by far the lion's share of the Continent's newsprint, more than one-fifth the total demand, more than twice as much as Abitibi Power & Paper, its closest competitor. As American production declines, International becomes increasingly important to United States publishers; it now supplies 464 dailies. Its contract with Hearst (of which more later) is the most important single deal in the industry.

When the story of newsprint has been told, the story of International Paper is yet incomplete. Stretched out westward from the Gatineau limits, like a long cold arm, are 5,200 square miles of the finest white spruce forests in North America. From this tract, too, swift rivers (tributaries of the Upper Ottawa) carry logs to the inevitable mills, and at Temiskaming International produces each year 100,000 tons of a substance known as bleached sulphite wood cellulose. This is almost exactly one-half the world's supply of raw material for rayon. Far to the east is Newfoundland; a subsidiary of International Paper holds under Crown lease tracts which cannot include much less than one-sixth of the entire area of the island, England's oldest colony. International's forty-eight mills extend from Newfoundland on the east to Wisconsin on the west, from Ontario to Moss Point, Mississippi. Of its 2,000,000 yearly cords of pulpwood, the bulk goes for newsprint, but enough is left over to produce 200,000 tons of kraft paper, three times that of its closest rival. As a side line, it makes all the envelopes used by the United States Government. In Wellsburg, West Virginia, it makes paper from rope, and at Herkimer, New York, from scrap leather. Its pine (no good for pulp) it cuts and sells to contractors in Montreal, Ottawa, and Quebec. It has, naturally, such appurtenances as a coal mine, a fleet of tugs, and 25,000 tons of ocean-going steamships.

International Paper & Power Co.

Thus the International Paper Co., an enterprise sufficiently vast to occupy the full attention of most men. But for the last few years President Archibald Robertson Graustein has fought the battles of paper and pulp with one hand, while with the other he has built up a second enterprise equally gigantic, and at first glance unrelated. International Paper is now the world's chief producer of newsprint; its new (1928) parent, International Paper & Power Co. is one of the world's largest producers of power.

On March 27, 1929, Mr. Graustein announced that I.P.&P. had bought 82 per cent of the common stock of the New England Power Association, the principal power system in the New England states, now distributing electric current to a population of 2,500,000 people in 250 communities. It owns or controls plants in New England (exclusive of Maine) to the extent of 429,500 hydroelectric and 477,500 steam-electric horsepower. Under construction at Lower Fifteen Mile Falls on the Connecticut River is a 200,000 horsepower plant upon which work is being rushed night and day. Powerful floodlights consuming New England Power Association current from other plants play upon the works at night.

BY TEAM AND SLED FROM THE HILLTOP TO THE RIVER

The New England Power Association is a money-making association of money-making subsidiaries. It is to be considered at its present state as an investment and a good investment. Its productivity has been increased by extensive interstation hook-ups, and is being further increased by such work as that at Fifteen Mile Falls. This is all good business, and interesting to the man who welds paper chains with one hand and power chains with the other.

But his greatest interest has unquestionably been in the power development he had sired north of the American boundary line. In a review of I.P.&P., there is time and space only to tabulate the outstanding features of the colossal work which has been accomplished by the Canadian Hydro-Electric Corp., Ltd.

It has impounded more water (145 billion cubic feet) in its Cabonga-Mercier reservoirs than is impounded by artificial reservoirs anywhere else in the world except at Gouin on the St. Maurice and at Gatun in Panama. It has built at Paugan, on the Gatineau, a 204,000 horsepower plant which sends out over high tension lines some 150,000 horsepower to Toronto, 230 miles away. This plant is interconnected with other units which have been built farther down the river. And from them it will draw power when the load is increased to 260,000 horsepower, as it is to be by October first of next year. The units farther down are Chelsea and Farmers, a mile apart but operated practically as one. Chelsea produces 136,000 horsepower and Farmers 96,000. These giants and the pygmy Corbeau Rapids (3,000 horsepower) plant already have transformed the Gatineau River into a pulsing artery of electric power. When near Maniwaki another 100,000 horsepower plant is built (as some day it will be) and when additional units for which space has been provided in the present plants are installed, the present Gatineau total of 439,000 will be boosted to 665,000 horsepower.

From the Ottawa at Chaudiere Falls and Bryson, 86,600 horsepower are developed; from Gordon Creek at Temiskaming, 24,000; and from other tributaries of the Ottawa, 16,000—a total of 562,600 horsepower produced in the province of Quebec, 480,000 of which have come into operation since 1925.

A SIDE STREET IN A JOBBER'S CAMP

THEIR RIVER JOURNEY BEHIND THEM, THESE LOGS AWAIT THEIR APOTHEOSIS AT THE PAPER MILL

HERE BEGINS THE PULP LOG'S EXCITING RIDE TO THE CHIPPER

There has also been built on the St. John River, in New Brunswick, a 60,000 horsepower plant and at Deer Lake, in Newfoundland, I. P. & P. bought a plant of 98,000 horsepower. There remain in Canada twenty undeveloped sites which belong to International with capacities as yet unestimated.

The cost of this development has been tremendous, and the returns are only just beginning to come in. I. P. & P. itself values its plants at $588,003,015.58, but in 1929, the company's revenue available for dividends totaled only $4,011,762.03, short of the dividend requirements by over $4,000,000. Before its reorganization in 1928, International Paper had paid no dividends on its common for twenty-six consecutive years. The reason lay in the curious history of newsprint, and from that history, too, came the able Mr. Graustein's decision to take one hand away from paper and apply it to power.

In 1900 it was possible to print all the newspapers of the country on about 750,000 tons of paper. By 1910 this had increased to nearly 1,250,000, by 1920 to just over 2,000,000, by 1928 to more than 3,500,000. By 1920, consumption had so taxed the capacity of producing units in the United States that some lots of newsprint were sold in the open market in June at $270 per ton (though the bulk of it was supplied on contracts at $100). The recession from the peak was slow. Throughout 1920, reports of the Federal Trade Commission show that an average price of $102.76 was maintained.

Mills enlarged as rapidly as they could to take care of as much business as possible at these phenomenal rates. Capital was attracted to the industry in a veritable flow of gold. Many new manufacturers looked to the spruce forests of Canada, whence they had long been drawing quantities of their pulp, as potential locations for new mills. The provincial governments, particularly those of Ontario and Quebec, welcomed the pioneers and encouraged the advent of others. So quickly did newsprint manufacturers begin

their trek into the Canadian bush that a year later (1921) American production had declined 15 per cent, high price and all, and Canadian output had increased 9 per cent. From 1919 to 1928, United States production showed an increase from 1,375,000 tons to 1,415,000 tons. In the same decade Canadian production increased from 808,000 tons to 2,380,000 tons, by far the greatest newsprint production of any country in the world, and 59 per cent of the entire newsprint production of North America.

Canada achieved dominance, the publishers had access to a more than adequate supply of paper, and, as every economist from Malthus down might have foretold, the price came tumbling down. A few abortive efforts were made at artificial control, but newsprint is sold at the mill today for $55.20 a ton, one-half of its 1920 price. Papermen are unanimous in asserting that newsprint cannot be made and sold at a profit at such a price. Canadian manufacturers, exclusive of International, announced, late in 1929, that the price would go up to $60. Old customers who renewed their contracts by January 1, 1930, were to be accorded a rebate of $5.00 a ton on the $60 price for the first six months.

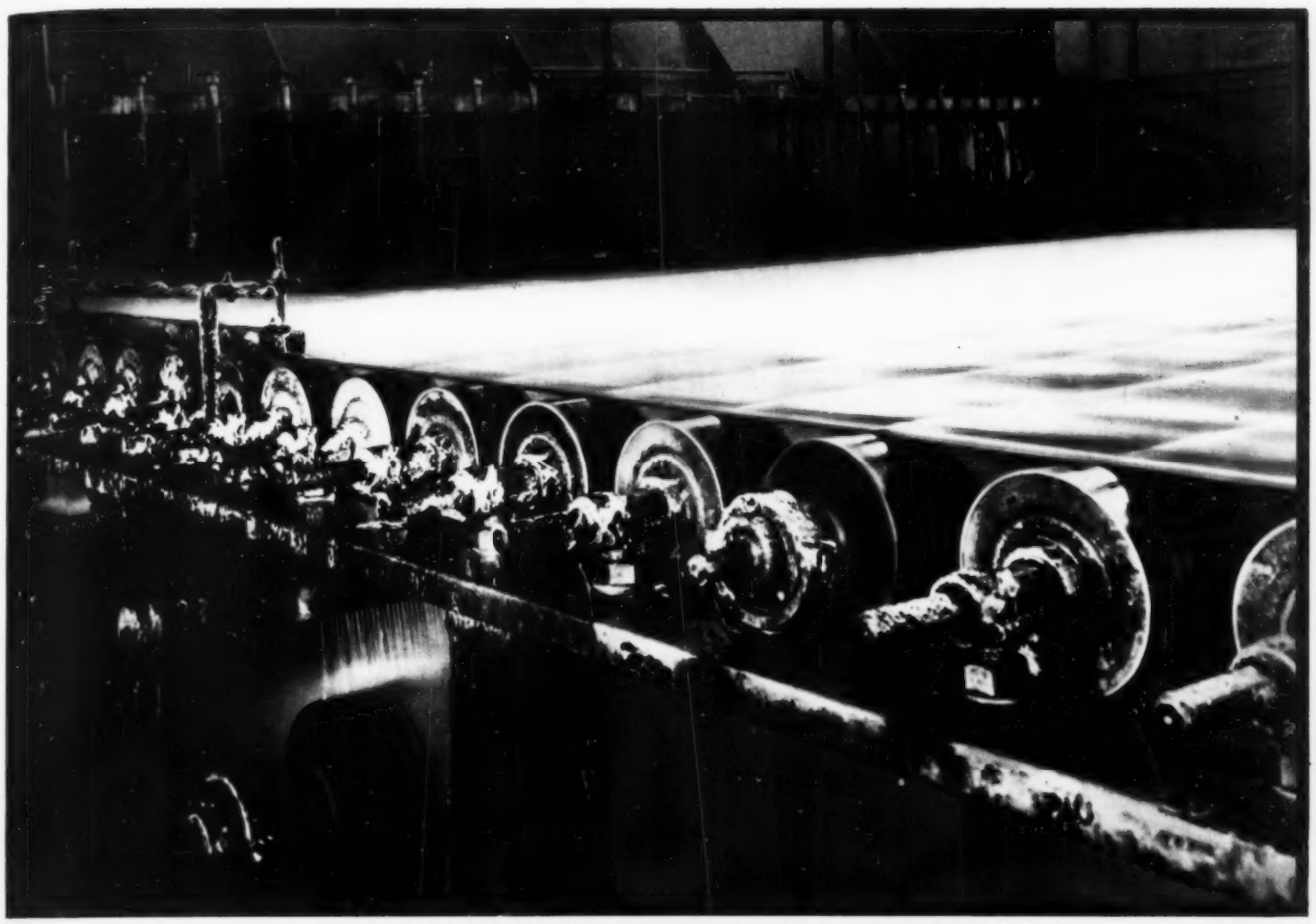
International rigidly refused to join in this price elevation. And for a very good reason. It supplies Hearst papers with newsprint under contracts which without doubt did not permit an upward adjustment of price. And, as it has always been a fundamental principle of the newsprint industry that there shall be no price discrimination between customers, there is very little for International to do. The Canadian government made a threatening gesture in the direction of International by outlawing all cutting of timber by companies who did not agree to advance the rate to $60. But International still held out. Though many a competitor might like to see International out of the industry, the Dominion has equally cogent reasons for not wanting to see International out of Canada. The advance in price did not go through.

And there are at least two other good reasons for International's refusal to join in the price stampede: first, the International Hydro-Electric System, the power division of Paper & Power. With the widening market for power (central station energy generation has increased in the United States from 2½ billion kilowatt hours in

A Note on Newsprint Making

WHIRLING steel knives have reduced the logs to chips. Up this incline they will go and from the top slide downward into giant digesters, where steam and sulphurous acid will make of them a grey porridge, which is unbleached wood fiber—cellulose. The porridge is shaken in "rifflers," dancing screens which allow any surviving hard particles to drop out. Water pours on this mass constantly, cleaning, diluting the porridge. In bleachers, caustic solutions whiten the pulp, neutralize its digester-born acidity. More water washes, washes, washes the pulp, dilutes it to one part in a hundred. Thus it arrives at the headbox, is spilled out upon the flying wire screen of the paper machine. This, quite logically, is called the "wet end." Before the torrent becomes a web, it has to be shaken down between eccentric bearings and dried by suction boxes beneath the wire screen. Flying rollers heated by live steam pick the web off the end of the screen, dry it, press it, speed it on to the calendar rolls at the extremity of the "dry end" where the liquid has become paper. These last metal rollers give the paper enough "finish" or gloss to make the reproduction of photographs possible in your daily paper. Beyond the calendar rolls, huge spindles, flying fast, pick up the web, wind it (a twenty foot ribbon) into rolls at the rate of 1,200 feet a minute.

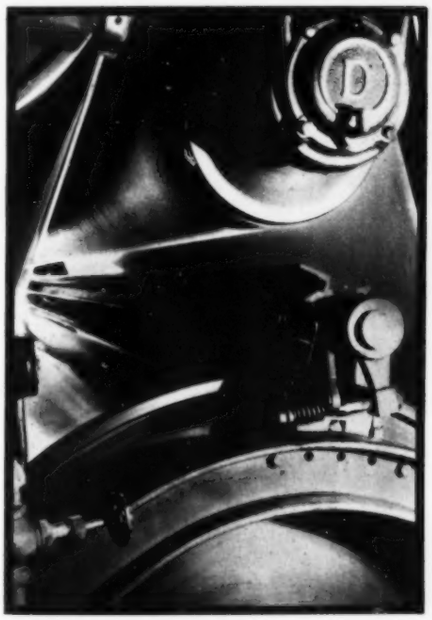
Side by side in the Gatineau Paper Mills four such machines run at this speed night and day, make 600 tons of newsprint in 24 hours, 186,000 tons in a year's 310 working days. Each of these giants is a city block long, cost about $350,000, and required months to install.



HERE THE PULP SOLUTION SETTLES UPON THE FLYING WIRE SCREEN

1902 to 97 billion in 1929, is increasing steadily at more than 10 billion per year) and with its Canadian units just beginning to come into production to add their earnings to those of the profitable New England Power Association, it should not be long until the dividends will not have to be paid out of surpluses. (Wall Street expects this year's dividends on the preferred to be earned.) International Hydro-Electric sells to International Paper some 280,000 horsepower. It was the Gatineau paper mill which prompted the construction of the Chelsea and Farmers power units, because it could profitably consume the bulk of their current. This year, the Saint John River Power Company is selling 40,000 horsepower to International's Dalhousie mill. (Dalhousie, long contemplated but delayed in construction, owing to the unsatisfactory price situation in the newsprint trade, was rushed to completion last year to provide a market for this large block of the 80,000 horsepower which will eventually be generated at Grand Falls.)

Herein is seen the *raison d'être* for the marriage of Paper and Power, and for the ambidextrous activities of Mr. Graustein. Paper needs power. Power is most economically generated in huge quantities. Other industries need power. Let paper, therefore, make power, to use and to sell.



THESE GIANT ROLLS, AT TERRIFIC HEAT, DRY AND PRESS THE WEB

The last and perhaps the biggest reason why International did not join the stampede is Archibald Robertson Graustein.

I. P. & P.'s Graustein

Just about a year ago the New York *World* asked the question, "Who is Graustein?" He had been identified by the omniscient New York *Times* as a successful corporation lawyer from New England who had "played an important part in the reorganization of paper companies in Canada in recent years," and as a director of Missouri Pacific, Corn Exchange, New England Power, American Surety, and Manville Jenckes. The *Times* knew that he was graduated from Harvard in 1904, but did not say that it required only two years for him to do so with a *magna cum laude;* knew that he was graduated from Harvard Law School in 1907 and became a member of the law firm of Ropes, Gray, Boyden & Perkins in Boston; knew that he moved into the presidency of International Paper in 1924; knew that on March 13, 1929, he had been married in Texas by a county judge to Miss Claire Patton. "Both," said the *Times*, speaking of the bride and groom, "gave their residence as New York."

The story of Graustein's romance was soon told: how the stocky paper and power king had

found love and Miss Patton both at Roseland, one of Manhattan's most democratic of dance halls, how in shortest possible space of time they had journeyed to the place from which the news was least likely to emanate and there were married. And then he was allowed to return to comparative obscurity until May.

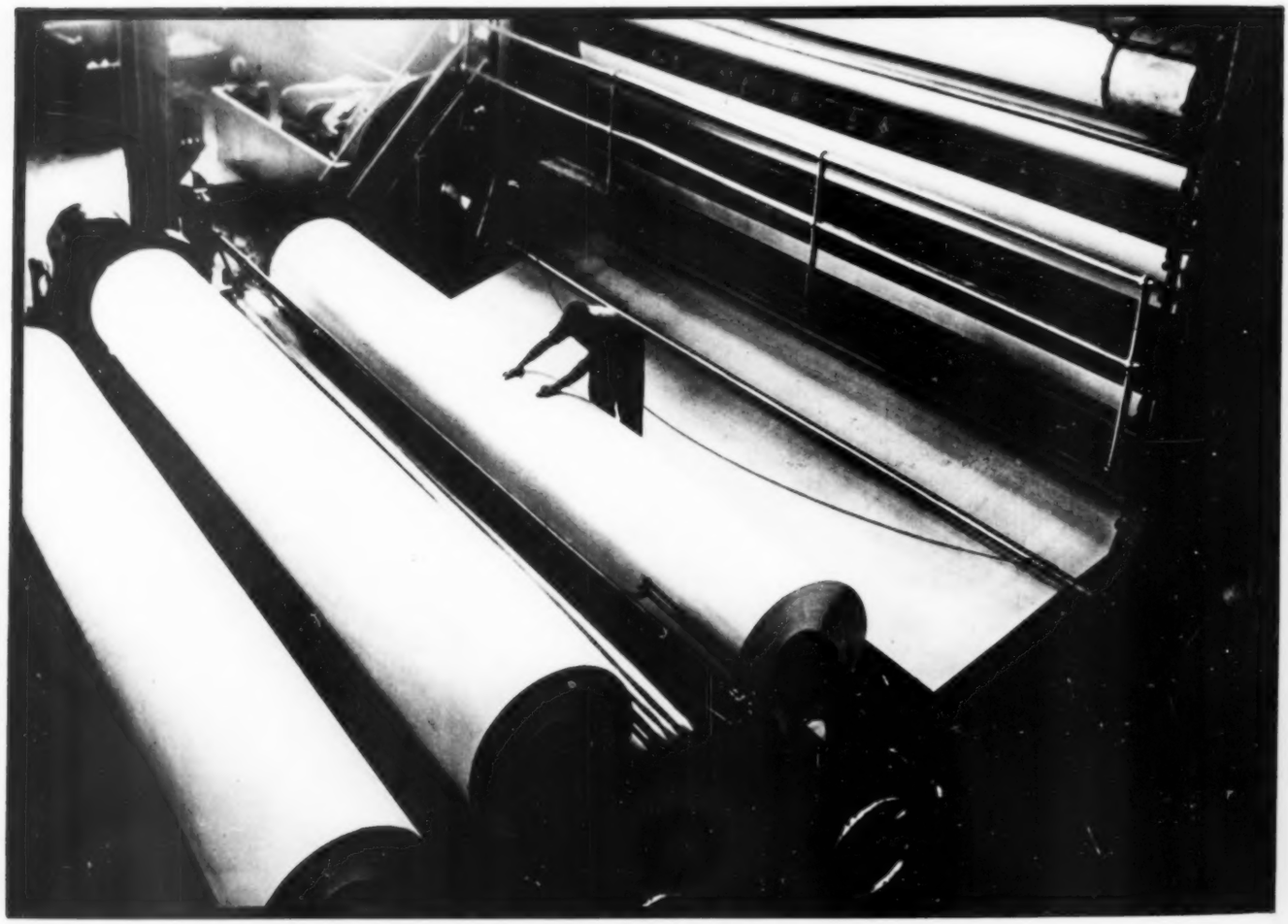
In that month, it was suddenly discovered that I.P.& P. had been quietly dickering with the press. Something more than $10,000,000 had been lent to publishers, notably to Mr. Frank E. Gannett, owner of a dozen papers (including the Brooklyn *Daily Eagle*) in New York and Connecticut. A half interest had been bought in two Boston papers, the *Herald* and the *Traveler*, and there were efforts to purchase other papers, such as the Cleveland *Plain Dealer*. When the news broke, it was immediately apparent that while the public will let a newspaper own a paper mill (the New York *Times* and the Chicago *Tribune* both have such interests), it is not possible for a paper mill to buy a newspaper. The most violent epithets hurled at I.P.& P. issued from its largest customer, Mr. Hearst, and concerned "chains of infamy," an "octopus," "poisoning the wells of information," and "a $25,000,000 conspiracy."

Before the Federal Trade Commission, which questioned him, Mr. Graustein was a candid witness. He explained that International had only two interests in purchasing newspapers. The first was to insure an outlet for paper. The second to make money on the investment. Both of these were important to him and to his corporation. But more important, said he, was the confidence of the Federal Trade Commission that International was no octopus. Wherefore, in less time than it usually requires to complete far smaller transactions, all the newspaper holdings of International were sold. Graustein washed his hands, kept his newsprint contracts, and returned amid considerable applause to devise another solution for his problems.

Few men work longer hours or at higher speed. In the past six years he has spent more time at his desk, day and night, than he has anywhere else. Often he works twenty-four hours without sleeping. Two or three stenographers accompany him when he travels. He usually has a night relay of stenographers who, after dinner, take enough dictation to keep them busy until three or four in the morning. And he is often there to sign the letters when they have finished.

It is probable that his exciting bout with the Trade Commission has already been nearly forgotten by him; that it has faded into the insignificance of his fight with Floyd Carlisle for the control of N.E.P.A. Of the N.E.P.A. battle, Mr. Graustein said merely, "There was quite a jangle . . . and a struggle for control developed. They might say something else, but I would say it was precipitated by them. The struggle for control of the New England Power ended in our favor."

At forty-four Graustein feels that he has just started. He has shown himself the smartest man in the paper business and fully capable of running his own show. That show, it now seems, has a fair chance of becoming very profitable indeed. With International Paper put definitely in the dominant position in the newsprint world, New England Power under his control, and the turbulent waters of the Gatineau working for him day and night, he has tackled the economic development of Newfoundland. He has no delusion of grandeur. He does not pose as the white hope of England's oldest colony. Newfoundland prosperity will be just a fortunate concomitant of International's individual development there. Few men have the vigor to play with paper, with power, and take on the development of an island for good measure.



UPON THESE ROLLS AT LAST, A 20 FOOT RIBBON, 1,200 FEET PER MINUTE

Private Cows

The Dutch and French painted "canners"; Mr. Frelinghuysen has true Jerseys in his bedroom.

IN rich men's pastures all over America, fawn Jerseys, golden Guernseys, or black and white Holsteins munch the sweet green grass. From the sadly inquisitive heifer with its nose over the fence to the last cow knee-deep in the bushes beside the brook, every beast in the meadow is a thoroughbred. Their lineage is as pure as their milk, but, unlike their masters, they trace no line to times of Colony and Revolution. It would be a blot upon their breed if their blood went back to the small and ill-formed stock which came down from Colonial times in America. Such ancient American cattle would be fit neither for milk nor for steak. Today these first cows would be classed not as thoroughbreds but as "canners," creatures fit only to go inside of tins as canned cornbeef.

American aristocrats in the pasture did not come to America until the 19th century, when wealthy grangers began bringing beautiful creatures from abroad. From the oblong island of Jersey came Jerseys in 1850. Guernseys came from the triangular island in the same English-owned, Norman-French-speaking group of Channel Islands a little later. The Holsteins did not come from Holstein. Winthrop W. Chenery, a gentleman farmer of Massachusetts, brought them over in the fifties from the Dutch province of Friesland on the Zuider Zee, where they were properly called Friesian. Brown Swiss cattle began to graze in American pastures. From Ayrshire in Scotland, where Burns had sung of the rivers Afton and Lugar, came the Ayrshires.

MAHONRI YOUNG PAINTS A COW, WITH CHARM BUT WITHOUT PEDIGREE

All over the nation, but chiefly in the opulent East, herds of these princely kine inhabit great estates. In addition to the rich milk they give, there are reasons for their presence. Long before the dollar, the cow was the symbol of property. Along with the dollar, she still is. The urban and industrial personage, not yet sure of the social structure he has created for himself, takes his symbols from the certain past. The aristocrat owned lands; he owned cattle. The rich man buys land; he buys cattle.

But behind the bucolic picture, the estate of the industrial lord today differs from the estate of the landed lord of yesterday in vital particulars. The landed lord grew rich on his acres and bought a town house for his pleasure. The industrial lord grows rich in the town and buys a country place for his pleasure. The landed lord was rich because he had lands and cattle. The industrial lord has lands and cattle because he is rich. The difference is complete. Mr. Charles M. Schwab, who owns both steel and cows, understands the difference. At a luncheon some years ago on his country estate, he offered his guests their choice of champagne or milk.

"Gentlemen," he said, "they both cost the same."

Mr. Schwab's experience is not unique. Even the simplest of blooded cows costs $300, blooded bulls much more, and rich breeders of thoroughbred cattle are seldom interested in the simplest of bulls and matrons. William H. Williams, railroads and Guernseys, gave $25,000 for *Shuttlewick Levity*, who was twice grand champion cow at the National Dairy Show. Three people, Eleanor Fitzgibbon, of Mt. Kisco, New York, John Ellsworth, of Simsbury, Connecticut, and Hugh Bonnell, of Youngstown, Ohio, paid L. V. Walkley, of Plainville, Connecticut, $65,000 for

Strohmeyer

THE BIG STONE BARN ON E. J. CORNISH'S STONY FARM

three-fourths interest in his Jersey bull, *Sybil's Gamboge*. Back in 1913, Senator A. C. Hardy, of Canada, sold a Holstein bull calf out of his world champion cow, *May Echo Sylvia*, for $106,000.

The cow and the bull are, both biologically and financially, only the beginning. Magnificent cattle require establishments approximating the magnificent. Many wealthy herd owners insist upon simplicity in their barns, but even such simplicity is expensive. The first item is land. The second is barns. A barn must have stanchions, individual box stalls, mangers, feed trucks, feed carriers, silos, milking machines, manure carriers, modern ventilating systems. Some even have tiled walls and vita glass windows. Beyond the barn is the dairy. A dairy must have cooler, ice plant, sterilizer, bottle machines, churning machines, butter worker, washing vats, separators. A moderate estimate of the cost of equipment in dairy and barn hovers around $600 a head. And after equipment, there is pay roll for men: milkers and veterinarians. Eternally the expenses climb upward, and many extremely wealthy men, accustomed to keeping costs within certain limits in their businesses, oscillate between fury and despair over mounting costs upon the farm. Their laments have even brought into being a concern which does nothing but manage the estates of the wealthy. For a consideration, Burlingame, King and Dunk, dirt farmers with offices in New York, are ready to be practical farmers for gentlemen farmers. Some try them; some try other ways.

The luxurious agricultural scene is full of growls and grumbles over expense, but it remains, too, full of cows. They remain for varying reasons. The common denominator is that their masters are rich. James Cash Penney, Edward Joel Cornish, R. V. Rasmussen, and Peter H. B. Frelinghuysen are among those who take their cattle breeding seriously. Other herd owners are interested only in milk and cream and butter for the table. Some keep herds only because it is the social and decorative thing to do. The interest of few goes so far as the Frelinghuysens, who have had their bedroom painted with murals of their favorite cows and bulls. On their walls, the livestock painter, Edwin Megargee, has depicted not only pretty cows but true Jersey cows.

Other rich cattle owners, interested in cow as beauty and cow as symbol, have carried their love of kine into their taste for art with less success. One American, interested in cows and also in art, thought to find great paintings of Jerseys, Holsteins, Ayrshires, and Guernseys in the galleries of Paris. At first she became fearful that the Dutch and French painters had ignored the breeds common in America for such races as Fribourgeoise, Simminthal, Charolais, Schwitz, Bazadaise, and Cheurfa. Puzzled and uncertain, she found a man in Paris who had worked for Swift & Company. He knew little about paintings but a great deal about cows. She took him to the Louvre. He gazed at the masterpieces very carefully, very thoughtfully. Then his lip curved in contempt.

"Canners," he announced. "Every one of them."

I.—Jerseys

THE Jersey, pretty creature, is by all odds the dominant choice of gentlemen farmers. Her milk is rich; her appearance magnificent. As pure decoration, the deerlike Jersey fulfills all desires. In numbers the Jersey, with about 375,000 of its breed in America, lags far behind the Holstein, but while that efficient Dutch creature produces milk for the masses, the Jersey creates cream for the rich.

Perfect example of the country gentleman in modern America is Peter H. B. Frelinghuysen, of Morristown, New Jersey. Born rich, he lives on his Twin Oaks Farm and devotes his life to breeding Jersey cattle. At the National Dairy Show in 1929 his entries carried off more

Strohmeyer

JERSEY

HOLSTEIN

AYRSHIRE

GUERNSEY

prizes than those of any other single exhibitor. Mrs. Frelinghuysen, born Havemeyer, is the perfect lady of the squire. Together, pastoral couple, they have attended almost every major cattle show held east of the Mississippi during the past ten years. Known as judges of dairy cattle, their conversation is studded with talk of pedigrees, breeding, feed rations, and production records.

The distinction of Edward Joel Cornish, president of the National Lead Company, is that he owns the rockiest farm in America. At his Cold Spring-on-Hudson, cradled between two mountains flanking the eastern bank of the river, in meadows several hundred feet above the river, Mr. Cornish has bred and developed a herd of Jerseys which ranks near the top for high average production. *Fon Owlet* and *Fon Sayda*, two cows in the herd, have completed world records for production in the different age classes.

From early spring until late in the fall, Mr. Cornish lives at the farm and divides his time between lead on lower Broadway and his herds on the rocky farm. He has a flair for doing things himself, and, in conspiracy with the mountainous country, he has worked out a plan for exercising the bulls. Paddocks, or runways, were built for them at the back of the barn and, as the barn is built at the foot of a steep hill, the runways are on the sides of the hill. The bull must start mountaineering as soon as he decides to go anywhere in the paddock.

Several years ago, W. R. Kenan Jr., president of the Florida East Coast Railroad, attended a sale of Jerseys intent on buying a family cow. The procession in the sales ring fascinated him, and he purchased six cows before the dust settled. A thoughtful professor from the State Agricultural College suggested that a bull was essential to complete a new herd, and so a suitable sire was selected. In such a manner Mr. Kenan found himself suddenly in possession of a herd of cattle. Today the herd at his Randleigh Farm, near Lockport, New York, numbers about 160 head. Four world champions for production in different classes may be seen there under one roof, including *Sophie's Emily*, the leading Jersey cow for lifetime production. *Sophie's Emily* has so far produced 7,030 pounds of butter fat and 143,348 pounds of milk. This yield is equivalent to 8,787 pounds of butter and 66,673 quarts of milk, or sufficient to supply a family with a quart of milk a day for 183 years.

At each sailing of the liner *Majestic*, six thousand quarts of milk are brought for her stores from the huge Meridale Farms, 2400 feet above sea level at Meredith, New York. There Wilfred Fry makes his herd of 1,000 Jerseys a great business enterprise. When Mr. Fry's father-in-law, N. W. Ayer, the advertiser, founded the farm years ago, he established several creameries in the neighborhood to help the poor farmer. Today Mr. Fry is president of the Meridale Dairy, which supplies over 50 per cent of all the milk and cream used by outgoing ocean liners.

The Jerseys on the estate of Otto H. Kahn, of Kuhn, Loeb & Co., at Cold Spring Harbor, Long Island, have no deeper purpose than to supply the Kahn table with milk, butter, and cream. Mr. Kahn has interests enough in music and the theatre, and Mrs. Kahn, who manages the estate, is more interested in her Italian garden than in her cows. Not so Senator Carter Glass, of Virginia, who can become passionately excited about his Jerseys. Mr. R. A. Long, of the Long-Bell Lumber Company, has made his magnificent herd of Jerseys on his big Longview Farm in Missouri self-supporting by the sale of creamery products and surplus stock. Arnold H. Goss, deeply interested in Kelvinators, combines business with pleasure by keeping Jerseys on his Oaklands farm at Ann Arbor, Michigan, and keeping the milk fresh by use of Kelvinators on his milk wagons.

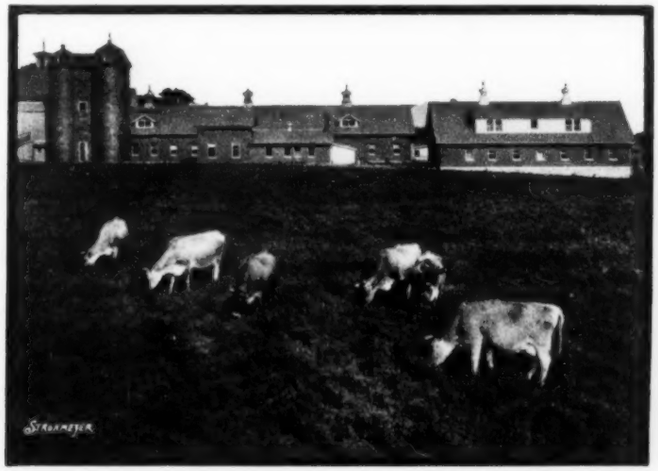
II.—Holstein-Friesians

OF ancient, honorable lineage is the Holstein. Tacitus wrote about its ancestors when the ancestors of its Dutch breeders were low country barbarians. "They owned," said the Roman, "cattle, not excelling in beauty but in number." What Tacitus said of the Holstein then is the truth of the matter in the United States today. Holsteins are not the prettiest dairy cattle in America, but there are approximately 600,000 of them in the land maintaining their reputation for abundant milk production. Large and black and white, they are the nearest to an independent American breed of dairy cattle. The United States has developed a breed of sheep, two of horses, and three or four breeds of hogs, but no race of cattle is native to its soil. But American breeders have made important contributions to the improvement of foreign breeds. The detail of importation has no value in Holstein cattle. It has been more than twenty-five years since any were imported, and the records of performance of American Holsteins surpass those made by the cattle of Holland.

This largest breed of our dairy cattle has as perhaps its leading breeder a man reputed to be one of our youngest millionaires. R. V. Rasmussen is in his early twenties. Single, an athlete, he adds to his life in his father's National Tea Company a passion for the breeding of Holsteins on his Elmwood Farm at Deerfield, Illinois. At the 1929 National Dairy Show his bull, *Sir Fobes Ormsby Hengerveld*, was named grand champion. He also won championship on his bull calf, *King Bessie's Korndyke Ormsby*, and his cow, *Forum Vesta Diamond*. With these champions and other fine animals, his Holstein herd has dominated dairy shows for the last several years.

The lady of Holsteins is Congresswoman Ruth Hanna McCormick. She may be attending the sessions of the House in Washington or campaigning for the Senate in southern Illinois, but always with her rolls and coffee in the morning, she receives printed slips from her automatic recording thermometers at her Rock River Farm near Byron, Illinois. This daughter of the opulent and ubiquitous Mark Hanna and the widow of the late Senator Medill McCormick has made her farm of Holsteins a paying institution. Holsteins are almost as dear to her as her Republicanism, and she talks about Jersey cows as if they were Democrats. At one time she was chairman of the extension committee of the Holstein-Friesian Association. At all times her chief pride is the low bacteria content of the high grade, and incidentally high priced, certified milk which she sells in the Chicago market. Often she communes with ex-Governor Frank O.

Strohmeyer
VITAMINS REACH HER MILK THROUGH VITA GLASS



KENAN JERSEYS GRAZE AT THE KENAN FARM NEAR LOCKPORT, N. Y.

Lowden, who keeps his herds on his farm near Oregon, Illinois, on the plight of the farmer and the superiority of the Holstein.

In the 1929 National Dairy Show, the insane asylum of Jefferson County, Wisconsin, won the ribbon for grand champion Holstein cow with *Johanna Pietertje Artis Creamelle*. From the asylum, Harvey Firestone has bought her to add her glory and her blood to his herds of Holsteins on his two farms in Ohio. Another prize-winner at the national show, *Carnation Inka May*, has also recently joined the Firestone herds. These animals will add to the reputation of the famous show herd of Mr. Firestone and add their milk to that produced on the Firestone farms, which already sells in Ohio cities at 40 per cent above the regular market price.

A year ago, Owen D. Young, chairman of the board of the General Electric Company, went abroad as one of the American representatives at the Reparations Conference. He left behind instructions that he be advised of new developments at Van Horne Farm, near his birthplace at Van Hornesville, New York. There, since 1907, he has kept a herd of Holsteins, and during the last few years official testing of the production of cows there has been carried on. Upon the completion of one notable production record, the information was sent to Mr. Young by radiogram. A reply came back through the air the same afternoon. It was, he said, the best news he had received since landing in France.

III.—Guernseys

VERY like his Channel Island cousin, the Jersey, is the Guernsey. Only on the islands of Guernsey, Alderney, Sark, and Herm, from which breeders still bring them to America, have they grown larger than the Jersey; they have grown also less beautiful. They are much less decorative for an estate, but as milk producers they surpass the Jersey. Among the chief friends and breeders of the race are James Cash Penney and William H. Williams. They own many of the champion bulls and cows of the tribe, which in the pastures of America number about 175,000.

Mr. Penney is a mortal man. Some day he must go the way of all flesh, leaving behind his department stores, his millions, and his cows. But in his mortal lifetime, Mr. Penney has conferred immortality upon his herd of Guernsey cattle at Emmadine Farm, Hopewell Junction, New York. Unwilling that the race sprung from his bulls, *Caroline's May Royal* and *Resolute's Eminent*, and his cows, *May Royal's Flower*, *Fayroyal's Evangeline*, *Valor's Fair May*, *Mixter May Royal*, and *Langwater Foremost*, should degenerate in dispersal, he has endowed Emmadine Farm so that the breeding work which he has planned may go on in perpetuity.

"Other projects which their founders desired to prolong after their departure are perpetuated by endowment," says Mr. Penney. He sits in his office, where he presides over his more than 900 stores, besides a bronze bust of his former herd sire, *Foremost*. Around him are cups and medals won by his cattle. "Why not endow a herd of cattle? . . . Should I pass on tomorrow the work would continue without interruption. Continuity and perpetuation—these were the results desired for our herd; these are the results assured."

While some of his mortal life remains, Mr. Penney occupies himself with his cows. He has never read a novel in his life. He plays Canfield solitaire and breeds his cattle. In Indiana he owns a second herd of Guernseys. In the South he is also interested in Guernsey breeding. Along with his department stores, it is his passion. Many of his stores are in agricultural districts, and Mr. Penney believes that better cattle will make richer farmers. Richer farmers will buy more goods from the J. C. Penney Stores.

If not assured of immortality, the herd of ninety-five Guernseys which Mr. Williams, chairman of the boards of both the Wabash and the Missouri Pacific railroads, keeps at Camp Aiyupka, Lyon Mountain, New York, is assured of all that cattle could ask in this present life. Mr. Williams is a thorough man, an autocratic man. In cattle, as in railroads, he has what he wants. About six years ago his desires turned to cattle. He determined upon Guernseys because he felt that they were less highly bred than Jerseys and that there was more room for improvement in the breed. Startlingly he began his activities in cows by paying $15,000 for one cow at his initial appearance at a public sale. Since then he has attended in his private car practically all important sales and shows. He purchased for $25,000 *Shuttlewick Levity*, who has completed a world record for milk production and who has twice been grand champion Guernsey cow at the National Dairy Show. For the bull, *Langwater Eastern King*, he paid $35,000. Almost every week-end the Williams private car stands on the siding at Camp Aiyupka. Every night he talks to his superintendent on the telephone. At the 1929 National Dairy Show his herd won first in every class for cows in milk.

Clarence Dillon, of Dillon, Read & Co., is probably more exclusive with his cows than any other breeder. He went himself to the island of Guernsey to select some of the animals for his herd of ninety-five at Dunwalke Farm, Bedminster, New Jersey. He has a definite breeding program, will not permit an animal to leave his farm unless it is to be disposed of permanently. His cows are not shown at exhibitions, but official testing of the production of the cows is carried on and one world record was recently completed there. These measures almost eliminate the chances of the herd becoming infected with any of the serious bovine diseases.

A scientist in cattle breeding is E. Parmalee Prentice, lawyer son-in-law of John D. Rockefeller. On his Mount Hope Farm, situated in the foothills of the Greylock Mountains of Massachusetts, he has become one of the foremost genetic students in the country. One of his most recent discoveries is what is termed "a method of indexing bulls to determine just what their progeny will do when they come into milk." Type, Mr. Prentice says, means nothing. The important thing is the cow's ability to produce.

FROM THEIR BEDS, MR. AND MRS. PETER H. B. FRELINGHUYSEN CAN ADMIRE THIS MURAL, SHOWING THEMSELVES AND THEIR FINE JERSEYS, PAINTED BY EDWIN MEGARGEE

Vanishing Backyards

Mrs. Rockefeller and the garbage collector join hands with the birth rate to pick up the country. Mr. Burchfield and Mr. Steiner record the American scene which is passing.

It is the nature of youth to be wasteful. A child, quietly playing with his toys, feels within himself the sudden, irrepressible surge of his abundant energy and smashes the playthings. Indifferently, then, he leaves the broken toys, the waste he has created, scattered over his nursery . . .

It is the nature of age to be tidy. Patiently the child's nurse gathers the scattered pieces, commits them neatly to the wastepaper basket . . .

Age knows, of course, what youth ignores—knows that if the pieces were not picked up, by the next day the litter would be deeper, and by the following day deeper still, until in time the child could find no place to sit on the floor, until at last the litter mounted to the ceiling and engulfed the house.

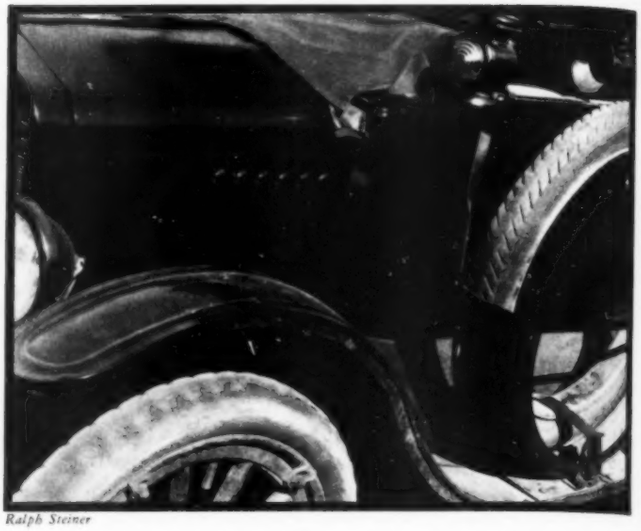
• • •

Recklessly, like a child, America hurls its refuse out the window, and doesn't care how high are piled the tin cans in its backyard. Because its backyard is so big. Almost indefinitely it seems to stretch beyond the horizons of the cities.

Courtesy Rehn Galleries

"CIVIC IMPROVEMENT"—*BY CHARLES BURCHFIELD*

Ralph Steiner



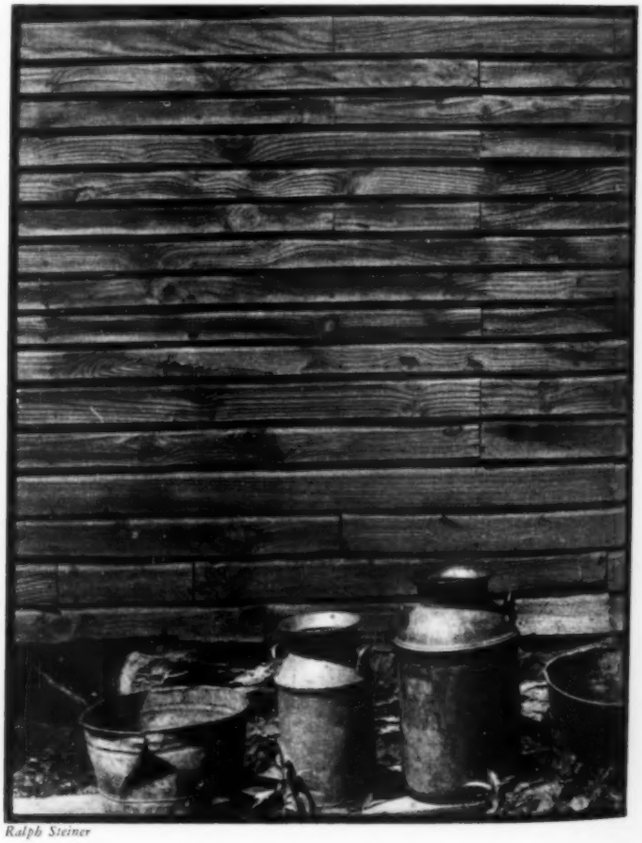
Ralph Steiner

If, suddenly, the new church and the new school and the new apartment house spring up beside the tin cans, it is easy to cart them down the road a mile or so. Or across the river. Or down by the railroad tracks. Back go the fringes of the city, the deadlines of order. Back into the open country where fields are dedicated by billboards to liver pills or pop or hotels with rooms at $1.50 and up. Here one may make a mess. No one cares.

Thus young America. But England, like a nurse or a mother, prudently tidies up. Neat are the rosebushes and the cabbage patches in her back yards, and infinitely neat the hedges which bound them. The fringes of her cities recede into an ordered countryside. It is a sign of age and forethought and caution.

Essentially, the English scene is sad and the American scene is happy. It is smelly, but it is also exuberant and vigorous to strew the country with things worn out and left over. Every garbage dump, every row of ramshackle houses lining the railroad track, is evidence of our boundless wealth. This is space we do not need. We have so much. Actually,

Ralph Steiner



Ralph Steiner

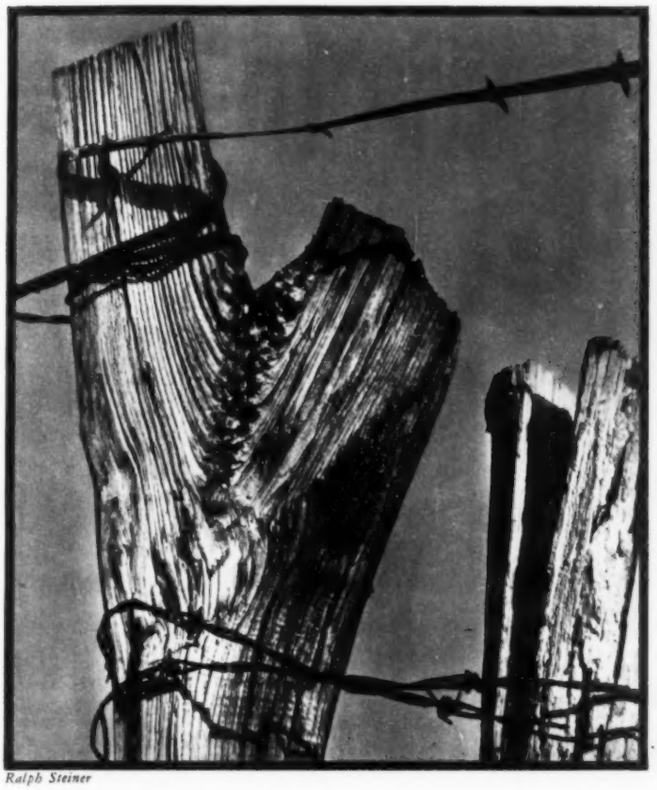
CARNEGIE LIBRARY OF ATLANTA

we have about 3,000,000 square miles in which our cities are swallowed up. England has about one-sixtieth as much and a population almost one-third as large. Thus upon a square mile of English earth must live in amity and cleanliness seven hundred persons, but within a square United States mile only thirty-nine need be confined. Throw a tin can from an English back door, and it is apt to land in a neighbor's yard. The next-door neighbor in Kansas or Oregon or Georgia or Vermont is so far away that it is easier to write him a letter than it is to pay him a visit.

• • •

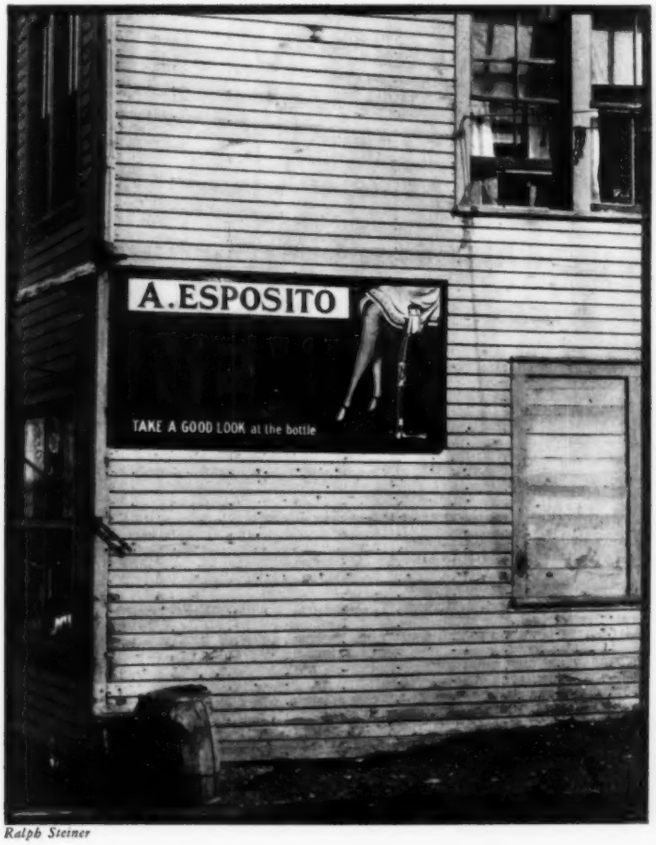
On these pages, FORTUNE prints a portfolio of the work of Messrs. Charles Burchfield and Ralph Steiner. Each has concerned himself with the American scene. Each has rejected artificial drama and the excitement of the accidental. Together they have assembled a record—not of the new America, its skyscrapers, its airplanes, its dynamos—but of the America which remains unregenerate, its back porches and backyards, its ugliness and its waste.

Such a panorama America can afford, yet this is a record of things which are passing. Some, like the rocking-chair, the curious architecture of the small town, give way to new, modern, and possibly improved schools of taste. Others, like the absurd, hideous posters which are plastered across the country, like the tree-choppers denuding a street in the name of boulevard lights, give way to more general agreement as to what constitutes progress. Still others—the streets of mud and the littered fringes of the cities—will move farther and farther into the hinterland until finally they disappear. Year after year more people must cluster within the square United States mile. By the year 2000 we expect a population of



Ralph Steiner

Ralph Steiner



Ralph Steiner

Courtesy the Brooklyn Museum

"FEBRUARY THAW"—*BY CHARLES BURCHFIELD*

185,000,000, and 225,000,000 a century later. Steadily the next-door neighbor moves closer and the tin can becomes more offensive. Neatness is forced upon us, not because we like it, but because of the vigilance of our neighbors and the policeman around the corner.

Hence we must commend Mrs. John D. Rockefeller Jr. and Mrs. Henry Ford, whether or no we regret the passing of our days of reckless plenty. These are the vanguard of a great army which will shortly be picking up behind our feet and under our noses. Mrs. Rockefeller thinks hot dog stands ugly stains on a green countryside and moves energetically to replace them with neater, prettier kiosks. Mrs. Ford conceived that clean, shiny booths would sell more apples and soft drinks than dilapidated booths and, to prove her point, she herself operated a clean, shiny booth near Dearborn. Sears, Roebuck thought to turn an honest penny out of Mrs. Ford's theory, and is prepared to distribute any one of three ready-cut wayside refreshment stands. The designs of these three buildings, undoubtedly pleasing, were the result of an art competition. The National Committee for Restriction of Outdoor Advertising (Mrs. W. L. Lawton, chairman) has succeeded in making 258 national advertisers restrict their heretofore ubiquitous billboards. Others in this kitchen police force are the Woman's National Farm and Garden Association and the National Council for Protection of Roadside Beauty.

Here is the esthetic appeal. Mr. Ivy Lee, the most distinguished of all public relations counsels, has an immediate, practical reason for urging neatness. On the window of every subway car of the I. R. T. system is displayed, now and again, a poster called the *Subway Sun*. Inasmuch as the subways carry approximately 3,000,000 persons each week day, and inasmuch as Mr. Lee's office is the editorial room of the *Sun*, he might be said to be the publisher of the journal with the world's largest circulation. In this journal Mr. Lee has often pleaded with subway passengers to keep New York clean, not to throw papers about, or skins, or peels . . . Sadly he computes that seven tons of waste paper and other litter are collected from subway cars and platforms every single day. It costs money to clean up such a mess. And the mess is unhealthy.

. . .

One highly important aspect of picking up is typical of a country becoming increasingly economical. Each year brings new and profitable discoveries of the uses of scrap. This is true not only of metals (and the scrap market is exceedingly keen), but of such unrelated things as stiff hats (from which is extracted shellac at Somerset, Massachusetts) and cotton rags (made into bread wrappers in Kalamazoo). The tire companies are jealous of revealing their methods for reclaiming old rubber, but in Korea and China old tires are made into shoes. The housewife, perhaps, does not realize that the tin cans she disposes of will be reclaimed and remelted to form sash weights for her windows and toys for her children.

The list is long and varied. Not to be forgotten are the garbage removers, who point out that in Manhattan alone rubbish and garbage, ashes and dead animals could, at any rate theoretically, be utilized to a gross of $5,000,000 a year (the very quantity of the refuse and the immediacy which health laws demand in its destruction has, however, thus far prevented authorities from much probing of this curious

mine of wealth). Nevertheless, in the United States garbage reduction plants produce $8,250,000 worth of grease annually and of fertilizing tankage, $2,500,000 worth. In some American cities the municipal government actually makes money from its garbage. During five years a Manhattan company paid the city $487,500 for garbage delivered to certain parts of the water front; the Melrose Paper Stock Company has a monopoly on Manhattan's waste paper and pays $1,053 a month for it; Carrizo and Izzo pay $536.99 a week for reclamation of bottles (the price of cast-away bottles has exactly doubled since the Eighteenth Amendment); the Brooklyn Ash Removal Company, Inc. pays $4,000 a month for its pick of ashes. Dead animals are particularly valuable. Broken down chemically, they yield grease and glycerine, valuable in the manufacture of soap; the hoofs give glue; the intestines are sold to meat packers for sausage casings; the bones are utilized in fertilizer or lampblack according to market demand; the hides are sold separately, not a few of them ending up as coats. Nor, though one does not often see them, are cities lacking in dead animals. In Chicago, in one year, a private contractor collected 50 sheep, 1,949 horses, 49,504 dogs, 980 cats, and 39 other animals which he was content to call "miscellaneous."

Garbage, like most general nouns, is a relative term. You eat your cake and like it and it is good food. But leave it half finished and what you have left of a sudden becomes garbage. Thus, perhaps, to a trained eye a pile of garbage might indeed be a thing of beauty. Such trained eyes are, however, notoriously rare. Certain cities, aware of the rarity of this quality, have tried to beautify their garbage disposal plants. In Nuremberg, Germany, the plant is embowered with fruit trees and flowers. Visitors pick strawberries, and cavalier garbage men twirl red roses in their teeth as they work. In Sausalito, California, there is Garbage Park. Here, surrounded by the fragrance of flowers, Oakland's garbage, like the pale, unloved Elaine, puts out to sea from a burgeoning shore.

All too rare, one regrets, is this delicate and lovely approach to garbage. Only in cities like Sausalito or Nuremberg where esthetic municipal directors exist. But gradually we shall become more crowded, and our need for order will increase. And with that increase will come greater and more exquisitely fragrant Garbage Parks, and backyards that are neater and more cheerful. Mrs. Rockefeller could not accomplish it alone, nor Ivy Lee, nor public health authorities, nor the garbage removers. But together they will weld esthetics and sanitation and economics into an irresistible force on the side of tidiness. Already, in the midst of our abundance, we are beginning to pick up. The child grows older.

Lent by Mr. A. C. Goodyear to the Museum of Modern Art Exhibition "Nineteen Americans"

"THE PROMENADE"—*BY CHARLES BURCHFIELD*

Cheap & Smart

R. H. Macy & Co. has three bedrock policies. It has also a chewing gum remover and a bank. But Macy's could scrap all these and still be distinguishable from the average department store. The secret lies in Smart Merchandising.

THE biggest store in the world is to be found at Broadway and Thirty-Fourth Street in New York City. Incredible as the unicorn would be the Manhattan housewife who has never done her shopping at Macy's. Last year R. H. Macy & Co. did a gross business of $98,688,487, from which it made a net profit of $7,863,503. There is, it is true, a contender for the title of world's champion store: Marshall Field & Co., of Chicago. The issue is complicated by the fact that Marshall Field has extended its activities far beyond its Chicago store. Since it does not give out separate figures for its main store, it must remain a mystery whether it is larger than Macy's or not. Though Marshall Field's store has 2,762,710 square feet of selling space as compared to only 624,000 in Macy's store, its average number of employees is less—9,000 as against 10,000 for Macy's.

Whatever its relation to the other stores of the world, there can be no doubt as to Macy's relation to the other stores of New York. Its annual sales volume compared with that of the other big stores in New York is as a river to a brook. No other New York store can touch its daily average sales volume of $322,700 or its 94,500 transactions every day. Macy's is a thriving specimen of a typical distributing agency: the department store. For the buying and selling of the 3,200,000 articles of merchandise in its stock, Macy's has developed what might somewhat pretentiously be called its own philosophy of distribution.

Policies

To the young men and women from Vassar, Columbia, Yale, and other colleges who come to learn the department store business in its Training Course, Macy's announces three bedrock policies:

1. It buys for cash.
2. It sells for cash.
3. It aims to undersell its competitors in the metropolitan district by at least 6 per cent.

There is nothing extraordinary about cash buying. Most of the big department stores buy for cash, though not all of them pay as quickly as Macy's does. The one and only object of paying cash is to secure discounts. Thus the speed of Macy's payments depends entirely on the manufacturer's terms. "5%: 10 days" on an invoice means a 5 per cent discount for cash within ten days. Batteries of checking clerks see to it that the bill is paid so as to secure both the maximum time and the maximum discount.

Not cash but specification buying is the outstanding Macy buying policy. A walk through the drug department will be illuminating. Here at a counter—glossy as is most of the store furniture—is a display of tooth pastes: Pebeco, Forhan's, Kolynos, all the national brands—and also a concoction labeled Macy's Prophylactum Dental Cream. And over here are Macy razor blades cheek by jowl with Gillette blades, Macy Milk of Magnesia rubbing shoulders with Phillips' and Squibb's. If we approach the counter and ask for a package of Gillette blades, like as not the girl will try to sell us some Macy blades instead. She will say, and truly, that the only essential difference between the two blades is in price, which favors the Macy product by about twenty-five cents for a package of ten. To her the Macy blades are "M.O.M." (Macy's Own Merchandise). In the grocery department are cans of Lily White peas, bottles of Lily White ketchup, of Red Star Ginger Ale—all trade-marks owned by R. H. Macy; in the radio section are Macy tubes; and, of course, the store has its own line of Saybrooke men's suits and shoes.

In that now classic work, *Your Money's Worth*, Messrs. Chase and Schlinck advise housewives to buy no more nationally advertised disinfectants, but rather to buy some lye and borax from the grocer and make up their own disinfectant at about one-twentieth the cost. Mr. Schlinck spent many hours in Macy's before he wrote his book. He could not have gone to a better place. For Macy's buyers roll their own in an amazing number of cases. They draw up their own specifications and take them to a manufacturer instead of passively choosing from what he has to offer. He makes them up a line of goods to be sold under Macy's own brand name in direct and active competition with nationally advertised products. And Macy's does a little manufacturing itself, chiefly mattresses and grocery products. Whether made up specially or manufactured in Macy's own shops, M.O.M. is a very real competitive threat to national products. The implications of this form of competition, developed in New York most thoroughly by Macy's, are tremendous. The substitution of local markets for national markets is one, the control of the manufacturer by the retailer is another, and the introduction into merchandising of the Fordian principle of vertical production is a third.

Macy's other buying policies are left to the judgment of the 265 members of its buying staff. The buyer is the key man of any department store. He (or she: just half of Macy's buyers are women) is highly paid—and deserves to be. At Macy's the buyer must know his merchandising. Each of the 149 departments in the store is run as if it were a separate store, and its buyer is as directly responsible for its success as if he were running his own business. Even so fundamental a policy as hand-to-mouth buying is left to the individual buyer. If he is running the china or linen department, he will do most of his buying a long time ahead; but if he is in charge of novelty handbags, his buying will probably be hand-to-mouth. From department to department buying practices vary, according to the merchandise and the judgment of the individual buyer. One thing on which all Macy's buyers agree is that there is no point in buying for price. There are some department stores that would buy the proverbial carload of 1890 derbies if the price were low enough. Not so Macy's, or any other store whose merchandising is abreast of the times. When a manufacturer offers a large lot of goods at reduced prices, the buyer does not always leap at the bargain. If he sees a ready sale for the goods, he buys. If not, he doesn't. Again, though Macy's probably contracts for the entire output of a manufacturer more often than do other stores, buyers do not carry the process to extremes. They know that it is not sound merchandising for a store to become dependent on too few buying sources.

Macy's owes its distinctive position among New York stores to the way it sells rather than the way it buys. Many New Yorkers know Macy's as the store that has no charge accounts and that undersells its competitors. Is there any connection between the two policies? In its advertising Macy's infers that the one is the logical outcome of the other; that cash selling enables it, in good part at least, to keep its prices down. The advantages of cash selling have probably been exaggerated by Macy's on the one hand and unjustly belittled by Macy's competitors on the other. Not much is saved on bad accounts. Last year the average loss of the big New York stores from bad debts was only .17 per cent of gross sales. The saving is chiefly on carrying charges, interest, and bookkeeping. No charge accounts are paid in less than a month, and many, especially the larger ones, are allowed to run many months behind in payment. Cash selling eliminates all such interest charges, it is true. However, there are more fundamental if less spectacular factors behind Macy's ability to undersell its competitors: shrewd buying, effective publicity, and a flair for merchandising all enter in. Macy's size is important in the matter of economy and efficiency of operation. Macy's estimates its average production, per employee per year, at $10,700, as against an

CARNEGIE LIBRARY OF ATLANTA

average $8,500 in other large department stores.

Inevitably, it has been questioned whether Macy's prices are really 6 per cent lower than those of its competitors. Some of the doubts have been raised by competitors, notably Gimbel's, of which more anon. And one E. C. Riegel has written a book on the subject. A firm, almost a fanatical believer in credit, he is saddened and enraged to see Macy's thriving on a strictly cash basis. Since credit is the backbone of business and the essential oil of industry, Mr. Riegel *a priori* does not believe that a cash store can undersell its credit competitors. There has been one doubting Thomas, however, who is neither a business rival nor a hobbyist. No less an organization than the Better Business Bureau of New York City has questioned Macy's underselling claim. In December, 1925, the Bureau formally requested Macy's to give up its advertising boasts, "Lowest in the City Prices" and "6% Less than Elsewhere." The Bureau, whose membership included most of the big department stores, did not think that Macy's was carrying out its underselling claims. After a long debate, by conference and by letter, Macy's resigned from the Bureau, which, ironically enough, it had helped to found. During the argument, the Bureau made a price survey of Macy's and its competitors which justified the Bureau's stand. But every day Macy's makes such a survey.

From the store at Thirty-Fourth Street a band of spies goes forth every morning in the year. These spies, otherwise known as comparison shoppers, consist of a score of attractively dressed young women and a few prosperous looking young men. All day they go from store to store, poking mattresses at Stern Brothers', trying on suit after suit at John David's, pushing their way up to bargain counters at Bloomingdale's and McCreery's, sizing up novelty jewelry at Lord & Taylor's. They are poor customers because their object is to spy and not to buy. However, they do not hesitate to make purchases when they think they have found a "value" as good as or better than Macy's has to offer. Any such article, whether it be a dinner coat, a cedar chest, or a brassiere, they buy and carry back to the store. If their judgment is correct, the Macy price of the article is cut to 6 per cent below the outside price. These comparison shoppers are sent out to cover sales in other stores, to investigate customers' tales of bargains to be had in other shops, and to make surveys of all the big stores in the city on some one particular article.

Macy's shoppers have one great meeting place: Gimbel's, a block to the south. So numerous and clamorous were Macy's shoppers recently that Gimbel's triumphantly printed a stinging little note in the newspapers:

AN APOLOGY BY GIMBELS

> We regret that customers in our house furnishing and drug departments have been inconvenienced lately due to aggressive tactics on the part of young women apparently engaged in checking GIMBELS low prices for others.
>
> We are confident that the futility of trying to undersell GIMBELS will bring these inconveniences to an end.

SHOP GIMBELS AND SEE FOR YOURSELF

Macy's shoppers flock to Gimbel's and vice versa because the two stores are ancient and bitter rivals. Gimbel's somewhat resents Macy's superior attitude and likes to annoy its rival by going under its prices on certain articles. Many a furious battle has been waged over Modern Library books, for instance. There was a time when bookworms could pick up Modern Library volumes at Macy's for 18 cents a copy, as against a list price of 95 cents. Other sensational Macy lows, caused by competition with Gimbel's, Bloomingdale's, and such Macy-baiters, have been: $1.25 cartons of cigarettes (Camels, Lucky Strikes, etc.) for 74 cents; $2.74 traveling cases for 84 cents; $10 "Smokadors" for $2.24; $1.39 skating socks for 11 cents; and, most phenomenal low of all time, 12 dozen cakes of hard-water soap for 1 cent. The Gimbel-Macy competition grows more strenuous every day. Gimbel's has recently begun to take cracks at Macy's in its advertising, as:

> GIMBELS initiates lower prices . . .
> GIMBELS will not knowingly be undersold.

And, referring to Bamberger's in Newark, bought by Macy's but still a credit store:

> The GIMBEL policy is the same in every city.
> We do not sell for cash only in one city —and allow credit in another.

Most unkind cut of all was the headline:

> YOU TRUST US when you shop at GIMBELS . . . and, of course
> WE TRUST YOU!

Clever as are these attacks on Macy's policies, they miss the main point about Macy's. Take away cash selling and "lowest" prices and you would have an altered Macy's, but one that would still be recognizable. And also, one may add, a Macy's that is still distinguishable from Gimbel's and the other stores. The essence of Macy's lies not in its policies, but in something much vaguer and more important, something which might be summarized under such a heading as Smart Merchandising.

Merchandising

Indefinable, but important, are the effects of smart merchandising. Macy's has achieved a certain "tone," a distinctive manner in the conduct of its business, that is more valuable to it than all its policies, famous and traditional as these are. This tone may be crudely suggested by adjectives: progressive, sophisticated, modern, scientific, alert, enterprising. Or it may be more convincingly set forth in terms of realities:

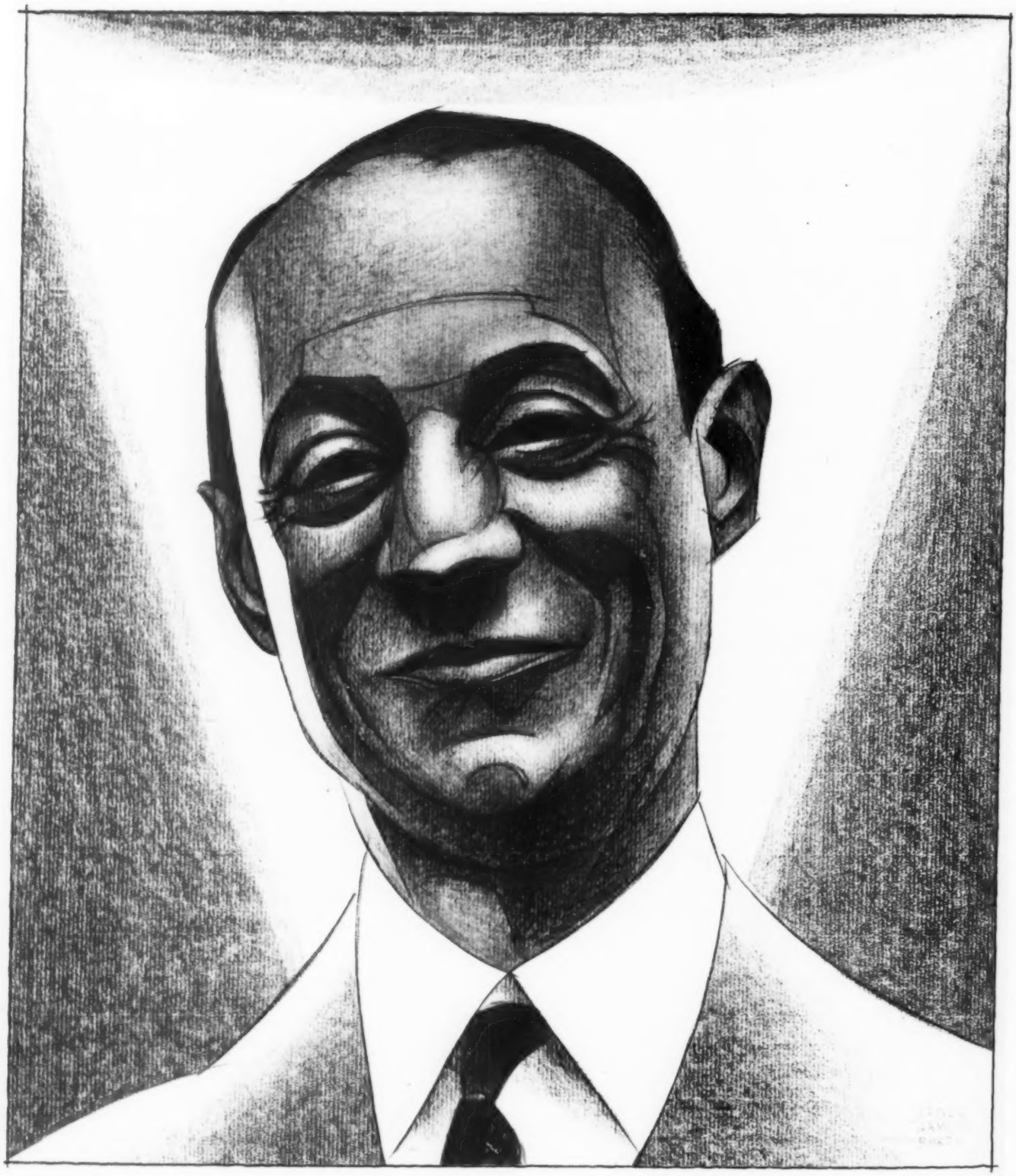
A.—Parade

Nothing better expresses the spirit of Macy's merchandising than a certain ribald event that occurs yearly on Broadway. Every Thanksgiving Day a weird procession of enormously billowing clowns, horses with hoofs as big as table-tops, and rollicking sea serpents a block long winds its way down Broadway. In attendance on these monsters, whose uncouth rubber hides are swelled tight with helium gas, is a riotous crew of imps and clowns. On every day but this they can be seen, dressed in more conventional costumes, behind Macy's counters, riding Macy's delivery trucks, and working in Macy's warehouses. When the mad procession reaches the store in Herald Square, the balloons are released. Macy's offers a reward of $50 for every one that is recovered. Fortune has not smiled on these balloons, cleverly designed by Tony Sarg. Last year they skyrocketed straight up into the air a couple of miles until the pressure burst them into pieces. This year Macy's got all sorts of scientific and meteorological advice. The advertising department, in charge of the parade, had faint hopes of a favorable wind wafting their Katzenjammer balloons across the Atlantic. But the day was so cold that the helium gas became dense, and the Captain and the Kids hardly left the ground. Even to get them into the air, the Captain's legs had to be amputated, the Inspector's beard trimmed. One of them, however, landed in a Long Island village a hundred miles away, where there was a community riot to get fragments of it. Unhappily, there is no truth in the report that the great Krazy Kat dragon floated out far over the Atlantic and appeared as the sea serpent of sailors' tales to the terror-stricken crew of a Danish sailing vessel.

B.—When nighties are in flower

Thus the headline of a recent Macy advertisement for a sale of nightgowns printed with floral designs. The text continued: "A romantic era's upon us . . . Gowns (both for night and day) must be feminine, pretty, romantic. These are . . . quite Directoireish in spirit . . . So if you are timid about appearing definitely Directoireish in the daytime, try being Directoireish at night." A decade ago department store advertising was notoriously cut and dried, barrenly factual, lacking in all grace, wit, and humor. Knowing that its customers searched out its advertisements every day and read them as faithfully as their husbands read the stock quotations, the department store did no more than baldly announce merchandise and prices. A few years ago Macy's began to inject interest into its advertising copy. Still more revolutionary, desperately so, was the introduction of humor. To advertise Wilton rugs or short vamp ladies' shoes in a bright and airy fashion was as unprecedented as if Dillon, Read should wax humorous over a Brazilian bond issue. Macy's advertising is written as skillfully as any national advertising—and with rather more sophistication. Its tone is due mostly to Kenneth Collins, who at thirty-two is Macy's publicity director. He has signs posted in every office in his department, including his own: "Avoid Superlatives: They Lead to Exaggeration." The contrast with the old drum-pounding method is obvious. So effective has this light touch proved that Macy's advertising is bought by out-of-town stores and reproduced verbatim, down to cuts and layouts, in local papers. Weil, McGinnis & Sloman, Inc. act as brokers in Macy's ads for stores all over the country, and for a few in foreign parts. But such bright ideas as

[*Continued on page 86*]



PORTRAIT OF JESSE ISIDOR STRAUS—*BY ERNEST HAMLIN BAKER*

Jesse Isidor Straus

Portrait of a Harvard Overseer, a smart business man, and a patriarch.

THE store of R. H. Macy & Co. is about as far from the horsehair tents of Syria as a man could get. The tents stand in the pastoral silence, under the prophetic stars. Macy's rattles to the iron clatter of New York, under the illuminated clock faces and the crowded towers. They have nothing in common. Nothing except the person of Mr. Jesse Isidor Straus.

Not that Mr. Jesse Isidor Straus would look happy or appropriate or even probable if you met him somewhere beyond Homs and Palmyra, where the Bagdad wheel tracks cross the ancient migration of the Wells. You do not see well-dressed, intelligent-looking, middle-aged Harvard Overseers following the camels in those parts, and not even Mr. Straus's tall, lean figure and large eyes, nor the desert-bred nose and cheek bones of his race, would give the image reality.

And not that you would be apt to find a department store in Manhattan conducted in a patriarchal manner by a visionary and somewhat impractical man whose moving purpose in life was the preservation of his family and whose deepest emotion ran toward his children and his children's children to the uttermost generation. Or if you did find such a store there would assuredly be red ink corpuscles in the balance sheet.

And yet Mr. Straus is the president of Macy's which, as everyone knows, is a not altogether unprofitable nor altogether unprogressive business. And Mr. Straus is as nearly patriarchal a figure as the Western World can show. Which does not mean either that he is ancient (he is nearing fifty-eight) or that he wears a vast grey beard (he is clean-shaven and his hair has not yet turned). He is patriarchal in the sense that the desert is patriarchal. He is the head of his house and of his people. He has one love, his tribe—both that which bears his name and that which bears the name of his business. And his concern is not with today nor with the day after today but with the future.

Mr. Straus's great contribution to Macy's is "the organization." The store is known for its power to hold the loyalty, and often the real affection, of its employees. It makes use of the methods of Babbittry, but somehow Babbitt himself becomes humorous and honorable and decent in Thirty-fourth Street. The saleslady who is told that she must share the organization's spirit believes what she is told. There is a spirit there to share. The place is human. And Mr. Straus is responsible for that humanity. He really cares himself—and not in the scientific, godlike way of the usual business "welfare" man whose concern is with the statistics of contentment.

The value of his general executive service has the same source. Patriarchal administration has to do with the future and the past. The head of the tribe is always a prophet. He has seen much and his fathers before him. Therefore he is able to see beyond. So it is with Mr. Straus. His mind is occupied with a future beyond his own life, and his judgments, looking toward that future, are (or have been: for the future, to the rest of us, is blind) exceedingly sound. In such matters, and in his judgments of men, his associates are accustomed to defer to his decisions. But in immediate matters, tomorrow's program of sales or purchasing or advertising, his bright young men are less willing to defer. They could wish that Mr. Straus looked farther off and longer, not so near.

The true test of the patriarch, however, is his own tent. This is the center and purpose of his life. Mr. Straus's is well pitched, in pleasant places, and well filled. His home is Northview, a country estate above Mt. Kisco, New York. The house stands upon a hill. Its terraced lawns slope away in British perfection. It has its walled garden, its tennis court, its swimming pool, its cared-for flowers. There is a farm below with a handsome herd of Jerseys and the finest chicken houses in all Westchester County. There are pigeons and ducks and turkeys. There are greenhouses among trees. And the place is running over with grandchildren. Isidor II, known to the world as Jack, lives on the estate (he calls his house, for adequate reasons, "Noview"), and his two children and the children of his elder sister, Mrs. Levy, who lives near, are in and out all day. The Jerseys and the chickens are for them—to give them the best milk and cream and butter and eggs and broilers money can produce. Three times a week in winter supplies are sent by truck to the four Straus families—Mrs. Levy's, Jack's, Robert Kenneth's, and their father's—in their apartments in New York. The four apartments are in a single building constructed for that purpose by Mr. Straus. His intention was not to simplify the truck deliveries from the farm but to save himself. In the old days, when they lived in separate houses, Mr. Straus, who calls upon his children and his grandchildren every day, found that his dinner waited and his nights were short.

The domestic life of the family has the formal element which always appears when a family is conscious of its own existence and aware of the authority of its head. There are a great many servants, and the house at Northview is beautifully kept up and as well run as a British country seat. Mr. Straus's part in it is one of attention and appreciation. He lets his children talk and is content to listen. He watches his grandchildren's faces with the expression of a man concentrated upon a world beyond himself. And he delights in their affection. When, as invariably happens, he is induced to tell some chance visitor his favorite, pointless mushroom story, and his descendants greet it with ironic laughter and loud moans, he is pleased and happy. The little ritual is as eloquent a witness to the love and the respect in which his children hold him as any ancient tribal rite. It is his due and tribute as his people's head.

The patriarchal life runs backward as well as forward. Jesse Isidor Straus is the son of that Isidor Straus, brother of Nathan and with him founder of the fortunes of his blood, who died on the *Titanic*. When that first Isidor died, his wife, who could have saved herself, refused to leave him and was drowned. Now, many years after, Jesse Isidor, his son, takes every occasion to remind himself and those about him of his paternity. He insists that in all public statements his middle name, with everything it connotes, should be written out in full. He thinks of himself as continuing his father's life and name. He thinks of his children and his grandchildren as continuing his own. American, modern, Western though he is, the East is in him, the patriarchal blood.

"It's Smart to Be Thrifty" and "No One Is in Debt to Macy's" cannot be sold, must remain associated with the store.

C.—Pants tester

Science in retailing, as opposed to rule-of-thumb methods, received much of its impetus from Macy's. Its Planning Department, a collection of efficiency experts who pry into the amount of cord it takes to tie a package and the energy wasted by cashiers in gum chewing, was a pioneer in its field. And the vital Bureau of Standards was also established long before such a thing became the rule. At one time or another, almost every type of merchandise in the store is put through its paces in this Bureau. The fading propensities of draperies are tested with a Fade-Ometer; the amount of quicksilver used in mirrors is determined; tension machines pull silk threads until they snap, register the breaking point. If a mother brings back a pair of boy's knickers and complains about the way they have worn, the Bureau of Standards is called in on the case. A serious young man in a white coat takes Willy's former pants, puts them under a shower, notes how much they shrink on drying, and earnestly tests the seat to see how it wears. His researches may show that Willy, rather than the pants, has been at fault. If, however, mother turns out to be right, the buyer at once takes the report to the manufacturer and asks him to explain. There is practically nothing the young man in a white coat will not test. He will investigate anything from golf balls to moth balls. He wears down rugs on abrasion machines, tears men's suits apart to see how strong the seams are, uses a special machine to burst holes in silk stockings, and runs through a dozen dry cleaning and perspiration tests for dress goods. The Bureau itself is unprepossessing enough: a not very large room cluttered up with piles of clothing, toys, groceries, blankets, sofa pillows—all in a rather dilapidated condition. There are various weird-looking instruments standing about, attended by eight or ten men and girls dressed in white. Unimpressive as it is, the Bureau's place in Macy's is obviously important.

D.—"Art in Trade"

During a vacation in Europe a few years ago, Jesse Isidor Straus, Macy's president, came across some gaily colored enamel ware. Alert, as always, to seize on new merchandising ideas, he brought the pots back with him, showed them to his buyers. Thus was born "color in the kitchen," a movement that brought style into a region hitherto unknown to it. Again, one of the Strauses, vacationing in Italy, ran across some old parchment books. He brought them back and had lamp shades made from the parchment, a style inspiration that has put parchment shades on the lamps of American homes. Macy's has done much to form the taste of the housewives of New York. In 1927 and 1928 Macy's held "Art in Trade" exhibitions at which were assembled chairs, tables, china, linen, household furnishings designed by artists in this country and abroad. The good people of Manhattan thronged to gaze at modernistic pianos and futuristic water glasses. Among other more or less direct results of these "Art in Trade" exhibitions is the success of that corner of the furniture department in which is assembled a collection of modernistic furniture unequaled in any department store in the city. The splendid modern rugs on the sixth floor and the delicately tinted modernistic china and glass in the basement are also fruits of the "Art in Trade" days. To keep its own and its customers' tastes pure and abreast of the times, Macy's employs a squadron of stylists in various unexpected places: china, stationery, furniture, household furnishings, and adult games, to mention a few.

Progress

In its parade, its advertising, its testing bureau, and its exploitation of style, Macy's is sophisticated and modern. More, these things show imagination. They are typical of the adventurous progressive spirit that leads Macy's to do things and sell goods that few department stores think of selling or doing. Macy's has a grocery department that is in a class with Charles or Park & Tilford. The cooks of many a Park Avenue establishment order their marrons and mushrooms from Macy's. Along the long delicatessen counter one finds such oddities as bloaters, rollmops, gaffelbittars, Milwaukee goose breast, and blood rings. And such table luxuries as pickled mussels, matjes herring, *pâté de foie gras*, and caviar, red and black. To leap from gastronomics to esthetics—Macy's sells works of art as casually as Milwaukee goose breast. In its picture galleries hang paintings, sketches, etchings by young artists. The buyer for its oriental art department is a connoisseur who can select jade, ceramics, and metal work that will find customers among collectors as well as housewives. There are unexpected corners in Macy's: a Closet Shop, devoted solely to the decoration and furnishing of closets; a Boudoir Shop; a Chintz Room that is bright and gay with every imaginable sort of chintz.

Certain of the 149 departments have been built up until they are famous throughout the city. The five most important departments in sales volume are furniture, drugs, house furnishings, silks, and toys. Few stores, if any, regardless of price levels, have a more complete and more modern stock in these departments than has Macy's. Its rayon exhibition in 1928, wherein mannequins paraded twice a day dressed in Parisian style creations in rayon, is written into the history of that newly born textile. And at Christmas time Macy's toy department, spread out over several acres of floor space, means to the youngsters of today what Schwarz's meant to an earlier generation of New York children. The drug department is not only more complete in its stock than most drug stores, but it is also incredibly low priced. So low, in fact, are the prices that the common belief is that Macy's is content to lose vast sums annually on its drugs for the sake of the pulling power of the department. The same idea is also attached to the neighboring book department, which does a business of some $2,000,000 a year. Certain it is that more varieties of cod liver oil and more editions of *The Forsyte Saga* can be found in Macy's stock and at considerably lower prices than in any other Manhattan department store.

From the "general store" of our forefathers, whose shelves bore only the necessities of life and those in no great plenty, to the imported jewelry and dry-point etchings of Macy's is a long span of merchandising. As the goods for sale have multiplied, so have the complexities of selling them. The general store got along quite well with a clerk or two behind the counter and a boy to run errands. At Macy's the clerk has multiplied a thousandfold, and the boy has expanded into a fleet of 420 motor trucks. More, there have come into being a great number of jobs not remotely suspected in the days of the general store. There is, for example, Mr. Q. F. Walker, the store economist. He watches trade levels, economic currents, the price of gold with an expert eye, and once a month tells the assembled buyers how his observations may or may not affect Macy's. There is, also, the chewing gum remover, who roams the building after hours applying chemicals to gum left behind by careless shoppers. He can do away with any amount of gum in any conceivable location. Carpets alone have him stumped, for he cannot remove the gum without also removing the pattern. The general store would have had as little use for Economist Walker as for the chewing gum specialist.

Economist Walker holds his job because Macy's has become far more than a store. It is rather a huge center of distribution, into which pour the goods of thousands of manufacturers to be pawed over, priced, inspected, and eventually bought by millions of housewives. Thus it comes about that though Macy's is primarily concerned with buying and selling, only 40 per cent of its employees are engaged in these activities. It is also notable that less than half of the 1,565,404 square feet of space in the buildings at Herald Square is selling space, to say nothing of the 711,159 square feet in the big Long Island warehouse. And thus it also comes about that Macy's has branched out into all sorts of nonmerchandising services. Her "training squad" of young college graduates was among the first of such organizations. To train these cubs there are classes and examinations under special teachers, an expensive process whose value cannot be even approximately discovered. For its employees Macy's runs a cafeteria, a medical clinic, and a year-round camp at Burlingham, New York. For its customers Macy's has a large restaurant (whose menu is unique, being entirely in odd-figured prices, as roast sirloin of beef, 98 cents; club sandwich, 64 cents), a post-office, and a staff of interpreters. The purchase, last spring, of Bamberger's big store in Newark added to Macy's extra-curriculum activities a magazine (*Charm*) and a large radio station (WOR).

Macy's also runs a bank. The Depositors' Account Department (briefly termed the "D.A." throughout the store) is a characteristically ingenious Macy idea. The problem was how to save customers the necessity of paying spot cash, often irksome in the case of large purchases, and yet not allow charge accounts. C.O.D. sales were one answer, and Macy's probably has more C.O.D. deliveries than any other store in the city. The drawback to C.O.D. is that often the cash is *not* forthcoming on delivery, and the

[*Continued on page 142*]

The Vanderbilts

No living Vanderbilt would assemble such a photograph album as FORTUNE here prints. Why?

IN the middle of the last century, a curt, uncouth young man stormed and swore his way out of the peasant obscurity of Staten Island and gave meaning to a name. Before Cornelius the van der Bilts had been poor, dull, and shiftless. After him they were sometimes dull and often shiftless, but they were not poor. Nor were they obscure.

In all, Cornelius wrung about $100,000,000 out of the young country which emerged from the Civil War into the Industrial Age. Far the greatest part of this he added in the last twelve years of his life, when he was an old man, when he suddenly saw, in proper proportions, the Railroad. It is unjust to Cornelius Vanderbilt to group him with Drew, Fisk, and Gould and label him pirate and buccaneer. There is a sharp distinction. Drew and Fisk and Gould soiled everything they touched and left it poorer, but Vanderbilt left it richer. His hands were rough and greedy; they were also the hands of a builder.

This is the important thing to remember about him and his other qualities, nearly all of them unpleasant, are merely local color. He was suspicious, secretive, and superstitious. Toward his wife he never displayed a generous or a kindly thought. In 1845, worn out with childbearing, bitter with loneliness, she poured forth her grief at being moved from Staten Island to friendless Manhattan. Vanderbilt gave her a ruthless answer, perhaps the most ruthless he ever made. He locked her up in Dr. McDonald's asylum in Flushing. Later he released her, at his mother's command. For those who take comfort in such things, it is gratifying to know that he was good to his mother.

In 1877, when Owen D. Young was three years old, Cornelius Vanderbilt died. There was not a sound organ in his great, coarse body, but he left one of the soundest properties in the world. He had built the New York Central Railroad.

• • •

When the first Rothschild died, he was avidly anxious to preserve his fortune, and he saw his fortune as his family. Therefore he divided his money between his five sons and bade them love one another. When Vanderbilt died, he was equally anxious to preserve his fortune, but he saw his fortune as a lump sum of money. Therefore he left $90,000,000 of his $100,000,000 to his son William Henry and let the others shift for themselves. He said, "There will be hell to pay for it," and there was.

William Henry was an able man, although he had been twisted and warped under the hammer of his father's contempt. He was dour, prudish (his large art collection held no nudes), but not ungenerous. To his brother Cornelius, a drunkard, epileptic, forger, and gambler whom his father loathed ("I'd give a million if he'd never been named Cornelius"), William Henry gave a million dollars. A curious whim led him to pay $103,000 to move Cleopatra's Needle from Egypt to Central Park. But the most important use he made of the fortune was to turn over 300,000 shares of New York Central stock to John Pierpont Morgan for sale abroad. This was an extremely happy transaction for all concerned. It brought William Henry about $36,000,000 in cash, netted the Morgan firm about $3,000,000, started the bank's railroad career, enormously enhanced Mr. Morgan's reputation, and attracted much foreign capital to the United States. William Henry worked hard on the fortune, perhaps he thought he worked too hard, for when he died he split it, now nearly $200,000,000, between his son Cornelius (husband of the present Dowager) and his son William Kissam.

Through the hands of these two, the fortune passed safely and profitably. Cornelius became the director of thirty-four railroads, nursed the New York Central through two panics. William Kissam took over the Lake Shore railroad and made it the bright star of the Vanderbilt system. When Cornelius had worked himself into a breakdown, William Kissam assumed the full load of responsibility and carried it with credit. He was a sportsman and a good judge of horses, but he was also a railroader. He was the last.

Culver Service
COMMODORE CORNELIUS VANDERBILT

• • •

The Vanderbilts have come a long way from the Commodore. The fortune, still large enough, is widely scattered, and the family is destroyed. No common denominator except a name can be given to Gladys, the hostess; to "Neely," the journalist; to Harold, the card-player; to Consuelo, the sad, lost Duchess. Between them they still own 200,000 or 300,000 shares of New York Central stock, but the railroad which spans the thousand miles from New York to Chicago cannot link one marble Newport villa with another.

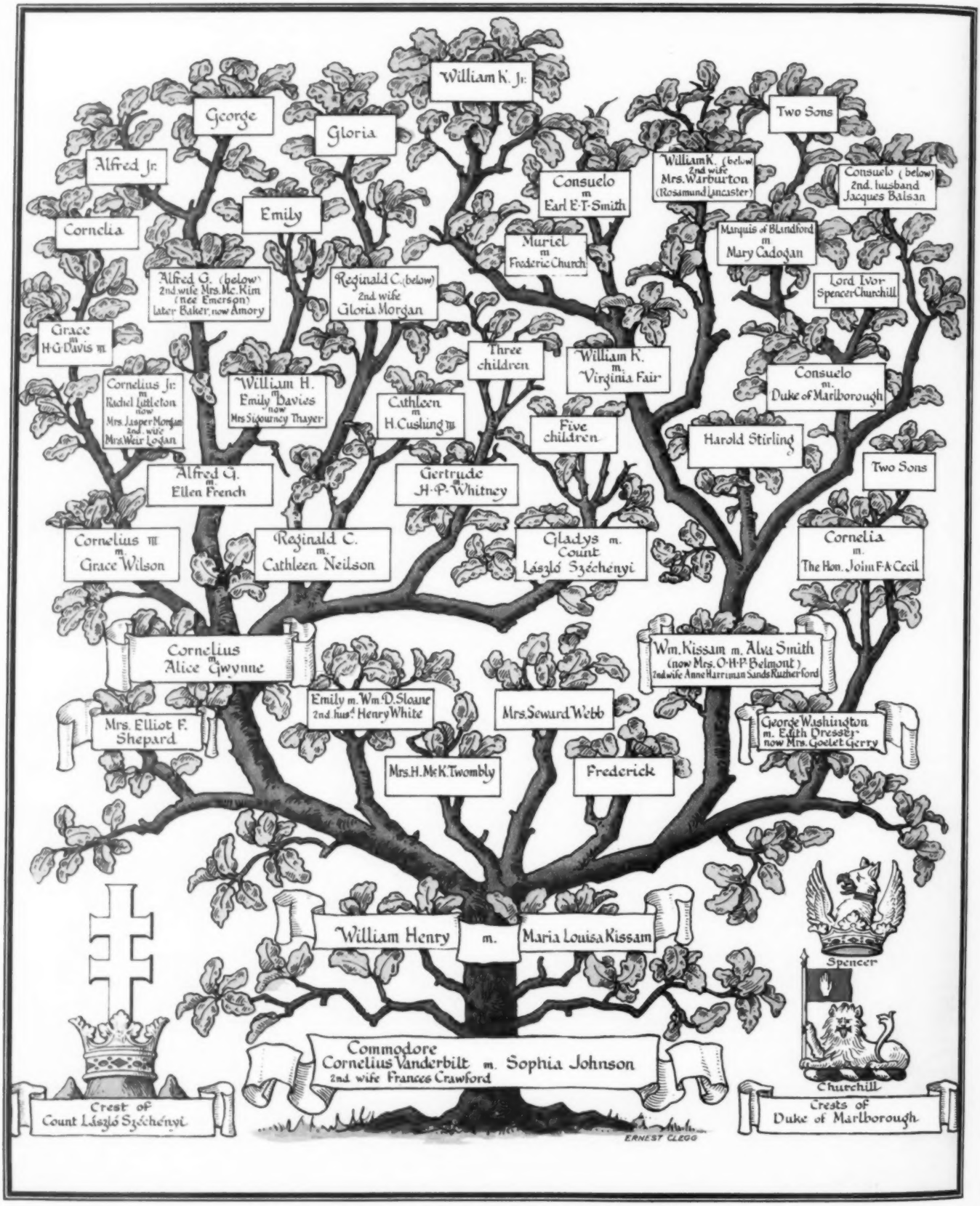
The Commodore once shouted "Law? What do I care for law? Hain't I got the power?" His descendants have not the power, but most of them have pondered the divorce laws of two continents. Restless, unstable, they move from desire to desire with no fixed star. Many are not without ability, but with the exception of Gertrude and the elder Cornelius, none has produced any useful thing. Distinctly they are not in the traditional shirt sleeves, nor are they likely to be. Just as distinctly, they are not a family in the full tide of its vigor and fecundity. The Commodore, surveying this gallery, would stamp and curse and then, from a busy mind, would contemptuously expel his descendants.

A moralist, dolefully brooding upon this endowed chaos, might find it essentially a tragedy in timing. The Commodore was born at the right time for ruthless acquisition. But his children and children's children were born fifty years too early to inherit.

To the second and third generation of Vanderbilts and to their contemporaries, great money was simply a means of escape from its sordid source. Hence the ugly and vulgar running after European title and position. Today, John D. Rockefeller III enters the Standard Oil Co. of New Jersey with a will to make good in the patriarchal business of which he was taught to be proud. No such ambition was characteristic of little Vanderbilts.

Indeed, there was nothing in America that seemed as worthy of a fortune's solicitude as a smile from a foreigner. True, when a Vanderbilt died, another Vanderbilt gave a dormitory to Yale, a very nice dormitory, the best of its day, but, after all, costing less than a season in London. In our own times, a Harkness dies, and in his memory there rises a quadrangle, the equal in majesty of an entire European college.

It now seems America and things American are worthy of an American fortune, however great. But two generations ago, it seemed not to be so. The Vanderbilt fortune was a fortune without a country to match. Inheriting Vanderbilts had only themselves to consider and that, tragically, was not enough.


William K. Jr.
George
Gloria
Two Sons
Alfred Jr.
Consuelo m Earl E.T. Smith
William K. (below) 2nd wife Mrs. Warburton (Rosamund Lancaster)
Consuelo (below) 2nd. husband Jacques Balsan
Emily
Cornelia
Muriel m Frederic Church
Marquis of Blandford m Mary Cadogan
Alfred G. (below) 2nd wife Mrs. Mc. Kim (nee Emerson) later Baker, now Amory
Reginald C. (below) 2nd wife Gloria Morgan
Lord Ivor Spencer Churchill
Grace m H.G. Davis III
Three children
William K. m Virginia Fair
Consuelo m. Duke of Marlborough
Cornelius Jr. m Rachel Littleton now Mrs. Jasper Morgan 2nd wife Mrs. Weir Logan
William H. m Emily Davies now Mrs. Sidney Thayer
Cathleen m H. Cushing III
Five children
Harold Stirling
Two Sons
Alfred G. m Ellen French
Gertrude m H.P. Whitney
Cornelius III m. Grace Wilson
Reginald C. m. Cathleen Neilson
Gladys m. Count László Széchényi
Cornelia m. The Hon. John F.A. Cecil
Cornelius m Alice Gwynne
Wm. Kissam m. Alva Smith (now Mrs. O.H.P. Belmont) 2nd wife Anne Harriman Sands Rutherford
Emily m. Wm. D. Sloane 2nd husd Henry White
Mrs. Seward Webb
Mrs. Elliot F. Shepard
George Washington m. Edith Dressel now Mrs. Goelet Gerry
Mrs. H. McK. Twombly
Frederick
William Henry m. Maria Louisa Kissam
Spencer
Commodore Cornelius Vanderbilt m. Sophia Johnson 2nd wife Frances Crawford
Churchill
Crest of Count László Széchényi
Crests of Duke of Marlborough
ERNEST CLEGG

BRANCHES OF THE VANDERBILT FAMILY TREE

SHOWING THE CHIEF LINES THROUGH WHICH THE COMMODORE'S FORTUNE HAS PASSED. OTHER LINES, EQUALLY IMPORTANT TO GENEALOGISTS BUT NOT TO BANKERS, ARE HERE OMITTED

Underwood & Underwood
GENERAL CORNELIUS VANDERBILT

THE present Cornelius Vanderbilt Sr. was first an engineer. While he was still a young man he invented a cylindrical tender accepted by both the Union Pacific and the Southern Pacific. Later in his life he became a soldier. He went to the Mexican border, in 1915 became chairman of the National Defense Committee, and in the World War won the rank of Brigadier General. General Vanderbilt is quiet, self-effacing, modest, his sole gesture in the direction of display being the museum of his uniforms, stuffed and cased in glass, placed in his front hall. He is extremely fond of his wife (below), whom he married against his father's wishes, accepting his disinheritance without complaint. (Later, his brother Alfred gave him $6,000,000.) Mrs. Vanderbilt is unquestionably the most distinguished hostess in New York. To 640 Fifth Avenue come practically all visiting royalties and celebrities. Last year Mrs. Vanderbilt bought "Beaulieu," the former Astor villa at Newport.

Underwood & Underwood
MRS. CORNELIUS VANDERBILT

Cameragrams
THE DOWAGER MRS. VANDERBILT

THE Dowager Mrs. Vanderbilt, widow of the second Cornelius, has been called the loneliest figure in American society. William Henry was her eldest son. Alfred Gwynne was her favorite son, and the wayward Reggie was dear to her. All three died tragically in their prime: William of typhoid at Yale, Alfred on the *Lusitania*, Reggie of dissipation. She feels she has followed more than her just share of hearses to the family plots on Staten Island. From her second son, the present General Cornelius, she was estranged for more than a quarter of a century, and only recently was the breach healed. She is often with her daughter, Mrs. Harry Payne Whitney, and is very proud of her work. Much alone, she rarely goes out, rarely entertains, plays bridge occasionally, but always for low stakes. She dresses simply, wears few jewels, and clung to an aged Simplex (the Vanderbilt livery is maroon) until Mr. Whitney insisted it had become too shabby. Her house, the famous Vanderbilt château at 58th Street and Fifth Avenue, she sold in 1926 for $7,000,000, buying Mrs. G. Jay Gould's house (where she had never called) in its place. Wrapped in age and dignity, she has been seen only once in a position unbecoming to the Dowager Mrs. Vanderbilt. That was at the wedding of her granddaughter Barbara to Barklie McKee Henry, when her son-in-law, Harry Payne Whitney, tired of her refusal to be photographed, picked her up bodily and held her before the cameras. Later, however, the negative was discreetly destroyed.

International
COUNTESS SZECHENYI

WHEN Washington learned in 1926 that the turbulent New Year's Eve balls of the Edward B. McLeans (Washington *Post*) were ended, it also learned that the tradition would be taken up by the Minister from Hungary and his lady, the small, dark, musical Countess Szechenyi. On such occasions the former Gladys (sister of the General) Vanderbilt allows her guests to choose between dancing under bright lights and listening, in a dusky room, to Tzigane (gypsy) music.

Wide World
CORNELIUS VANDERBILT JR.

P. & A. Photo
MRS. CORNELIUS VANDERBILT JR.

IN 1923, Cornelius (Neely) Vanderbilt Jr. (preceding page) son of the General and brother of Grace (Mrs. Henry Gassaway Davis III, below), bounded nervously to Los Angeles to begin his "career." He had been a newspaperman for four years; he would now found a clean penny tabloid, to crusade for the Common People. Thus across the editorial page of the *Illustrated Daily News* he paraphrased the traditional Vanderbilt "The Public Be Damned" and inscribed "The Public Be Served." Thus he signed himself "Your Publisher." The Served Public bought newspapers as readily as the Damned Public had bought railroad tickets, and for a time circulation totals climbed to gratifying heights. Then came bickerings, instability, disaster. With a Napoleonic gesture, Neely launched two more newspapers (San Francisco, Miami) when clouds were darkest; the gesture cost him and his family $3,000,000. Now he wanders from point to point, writing distressingly indiscreet articles about society. Amiable, adolescent, he smiles and giggles his way through a confused life. His first marriage was to Rachel Littleton, his second to a Mrs. Weir Logan (above).

Underwood & Underwood
MRS. HENRY G. DAVIS III

FAR the ablest of the living Vanderbilts is Gertrude, Mrs. Harry Payne Whitney. A serious and enthusiastic artist, she has modeled such important sculptures as the Titanic Memorial at Washington, the Eldorado Fountain in San Francisco, a heroic statue of Buffalo Bill, and a statue of the American doughboy at St. Nazaire. In these heroic memorials Mrs. Whitney is happiest; her small bronzes have had no great success, and it is not known that connoisseurs collect Whitneys.

Underwood & Underwood
MRS. HARRY PAYNE WHITNEY

CHARMING are the Vanderbilt babies, charming and often centers of much discussion in which there is little charm. One such is Gloria Vanderbilt (below, right), daughter of hard-drinking, hard-gambling Reggie by his second wife, Gloria Morgan. Reggie died of internal hemorrhages in 1923. Living with her mother in Surrey, England, small Gloria awaits her coming-of-age to inherit about $6,000,000. By her birth a trust fund of $5,000,000, which otherwise would have gone in its entirety to her half-sister, Mrs. Harry Cushing III (below), was split into two parts.

Underwood & Underwood
MRS. HARRY CUSHING III

Underwood & Underwood
WILLIAM HENRY VANDERBILT

A SERIOUS and intelligent Vanderbilt is young William Henry, son of Alfred Gwynne. He is a Rhode Island senator, on the board of the Newport Hospital (which is not a desultory job), president of the Casino Stock Company (at Newport), director of Thompson-Starrett Co., Inc. and of the American Arbitration Association. Some time ago, he bought control of the motor bus system between Providence and Newport. Thus his public and professional life. He has not been able to avoid the familiar domestic difficulties, his marriage to husky, blonde Emily Davies ending in divorce after two years. Last December he married Anne Colby. A habit which delights the Portsmouth countryside is to don his gay father's coaching costumes and take out the coach *Venture*.

Camera grams
GLORIA VANDERBILT

ONE THING in common the two elderly women (right) may remember: each was the wife of William Kissam Vanderbilt, ablest grandson of the Commodore. But far from proving a source of unity, this common interest proved the beginning of a long and costly war. It was the first Mrs. Vanderbilt (now Mrs. Belmont) who established the family's claim to New York social leadership with the great fancy dress ball of 1883, an event which so impressed Mrs. William Astor, in anticipation, that she paid Mrs. Vanderbilt her first call. The career, thus begun, reached its zenith, in 1895, with the marriage of her daughter Consuelo (right) to the scandalous but extremely noble Duke of Marlborough. This marriage, the classic example of American society's climb to prestige, cost William K. Vanderbilt $10,000,000, provided society with the most glittering spectacle of the century, and sent Consuelo to the Duke's great estate of Blenheim. Fifteen years later, before the tribunal of the Rota at Rome, Mrs. Belmont testified that she had forced her daughter into the marriage. It was then annulled and the Duchess, tired, wistful, and deaf, could marry a Catholic ex-army officer named Jacques Balsan. She lives on the Riviera, quietly.

The ducal wedding, however final for Consuelo's youth, did not end Mrs. Belmont's battles. In 1895 she divorced her husband, in 1896 married O. H. P. Belmont, and in 1903 saw Mr. Vanderbilt marry the daughter of Oliver Harriman. At once began a struggle for supremacy which enlisted ballrooms, butlers, birth control, soup kitchens, and the drug evil. Mrs. Belmont welcomed no one at Marble House (Newport) who had entertained Mrs. Vanderbilt. From Deauville, Mrs. Vanderbilt retaliated by becoming the principal American hostess in France. When the War came, she established the great hospital at Neuilly and worked there twelve hours a day. She returned to New York and moved to No. 1 Sutton Place, starting the residential colony there with her lifelong friends, Anne Morgan and Elizabeth Marbury. But she found life unpleasant. Three husbands had died (William K. in 1920), two sons were killed in automobile accidents, two daughters were involved in the love cult of Oom the Omnipotent. She sold 660 Fifth Avenue for $4,000,000. Now Mrs. Vanderbilt is rarely in New York, often abroad. Mrs. Belmont, reconciled with Consuelo, travels with her in Egypt. The war is over.

Underwood & Underwood
MRS. O. H. P. BELMONT

Underwood & Underwood
MRS. WILLIAM K. VANDERBILT

Underwood & Underwood
HAROLD STIRLING VANDERBILT

DO YOU play the Vanderbilt?" is the question most frequently asked at a game of contract bridge. Of late, the "Noes" have had it, as the Vanderbilt Convention (a bid of one club shows three quick tricks in the hand; the partner's bid of one diamond denies two quick tricks) has fallen into expert disrepute. Yet Harold Stirling ("Mike") Vanderbilt (above), the Convention's sponsor, reaps daily profits from his bridge skill, as his publishers (Scribner's) pay him from 10 to 15 per cent royalties on his book, *Contract Bridge*, now in its fourth printing. A bachelor, he has been reported engaged to Eleanora Sears and to Marietta Johanny, the Viennese beauty, who, however, insisted that she was still devoted to her third husband, Baron Styrcea. "Mike" Vanderbilt inherited much of the Vanderbilt fortune, some of its interest in railroading. After a brilliant career at St. Mark's (best pupil) and Harvard (Porcellian), he went into the New York Central's offices as lawyer-clerk. In 1928, he was listed as the holder of 173,030 shares of New York Central stock, about 10,000 shares more than was held by George F. Baker, and now valued at about $30,000,000.

International
MME JACQUES BALSAN
Consuelo

Underwood & Underwood
LORD IVOR SPENCER CHURCHILL
Consuelo's Son

International
MRS. EARL E. T. SMITH

Wide World
MURIEL VANDERBILT CHURCH

WILLIAM K. VANDERBILT III

BY VIRGINIA FAIR, three children were born to William Kissam Vanderbilt II. Muriel, a healthy woman with the family's healthy love of horses, made the usual brilliant Vanderbilt marriage (to Frederic Cameron Church) and followed it with the usual Vanderbilt divorce. Consuelo, named for the Duchess, was a brilliant pupil at school. She is now Mrs. Earl E. T. Smith. The son, W. K. Vanderbilt III, is pleasant, curly haired, and rather plump. He has been much with his mother, wandering between Palm Beach and the Côte d'Azur. At the moment he is studying in Paris, an educational move inspired to some degree by the presence in New York of the actress Lily Damita.

International

FREDERICK W. VANDERBILT

FREDERICK W. VANDERBILT is the only living grandson of the Commodore. He is now an old man, a widower, the holder of 20,000 shares of New York Central stock. At Hyde Park (on the Hudson) he lives in strict retirement, collecting rare books. He has been a good railroader; he moved creditably through each of the New York Central's departments. One rather curious obsession has remained with him throughout life: he cannot bear being late. And when his wife was alive, they would print upon their dinner invitations: "Dinner at eight o'clock." Then, in red ink, "Promptly."

Keystone

MRS. PETER GOELET GERRY

ONLY one of the four grandsons of the Commodore developed an interest outside the ordinary run of rich men's avocations. That was George Washington Vanderbilt, who proceeded to buy for himself a feudal 130,000 acres lying in North Carolina, between the Appalachians and the Blue Ridge. Here he built a magnificent palace (opened last month to the public), called the place Biltmore. Retainers settled there and built homes modeled after Cheshire cottages; young Gifford Pinchot was head forester. Mr. Vanderbilt raised pedigreed hogs, studied farming, and added Indian dialects to his eight languages. Mrs. Vanderbilt established a school to improve the mountain people's methods of hand weaving, an experiment which astonishingly grew into the Biltmore Industries, supplying good cloth to 30,000 customers.

THE current William K. Vanderbilt inherited a considerable share of the fortune and controls, with his brother Harold, the bulk of the family's New York Central holdings. Like his uncle, Frederick W., he is both retiring and industrious. Each day when he is in town he arrives at the railroad's offices at 9 o'clock. He is more a yachtsman than a railroader, however, and the *Ara* has become a familiar sight in many tropical seas. Equipped with elaborate devices for deep-sea fishing, the *Ara* has rivaled the Beebe expeditions, has made one round-the-world cruise, in 1928, to collect sea specimens. At North Port Mr. Vanderbilt has built the largest private aquarium in America.

Other interests include auto racing. He established the Vanderbilt Cup Race, then bought, for $3,500,000, a tract of land on Long Island extending from Jamaica to Lake Ronkonkamo. Taxation was costly, and the tract today is the Motor Parkway, assessed at $13,000,000 and piling up an annual revenue of over $200,000. Other interests emphatically do not include Newport. His mother, Mrs. Belmont, offered him Marble House, but he refused the gift, politely, as he does all things.

Keystone

MR. AND MRS. WILLIAM K. VANDERBILT

International

MRS. HAMILTON McKAY TWOMBLY

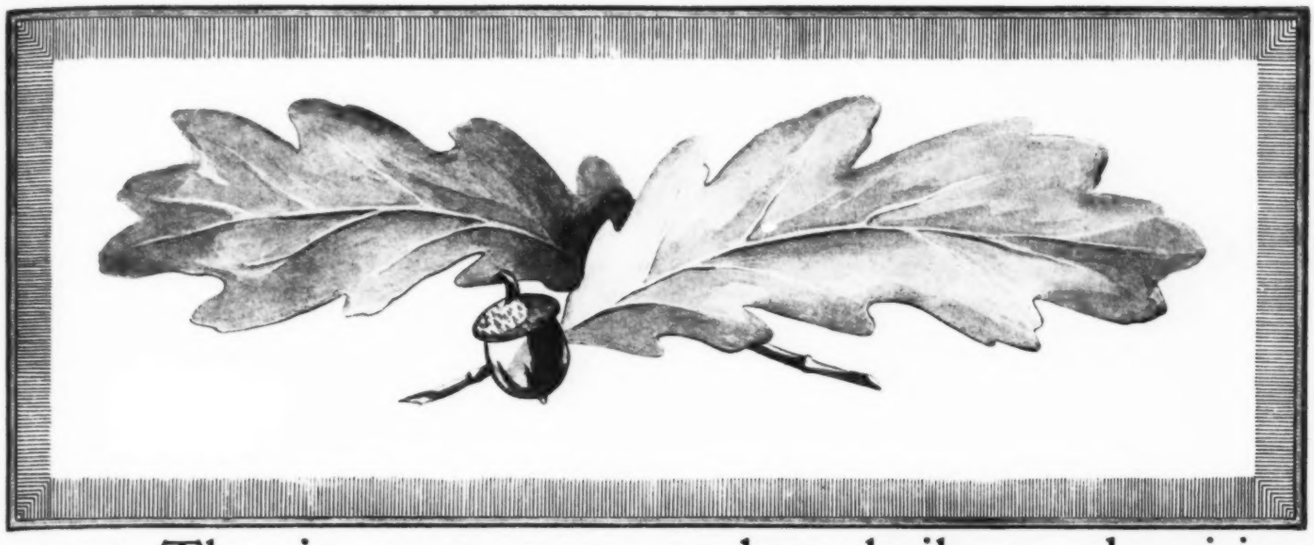
ON THE whole, the Vanderbilt women, healthy and vigorous, have been superior to the men. William Henry had four daughters, all women of considerable distinction. Three are now living: Mrs. Henry White, Mrs. Hamilton McKay Twombly (above), and Mrs. Seward Webb. At Florham (combination of FLORence Vanderbilt and HAMilton Twombly) Park, New Jersey, Mrs. Twombly indulges many intellectual tastes, notably her enjoyment of good organ music. Mrs. Webb is widely known as the chatelaine of beautiful Shelburne House (at Shelburne, Vermont).

Underwood & Underwood

MRS. JOHN F. AMHERST CECIL

George Washington Vanderbilt is dead. Mrs. Vanderbilt is the wife of Rhode Island's Senator Peter Goelet Gerry. Their daughter Cornelia —Mrs. John F. Amherst Cecil—travels often from Washington to Biltmore. There she was married with peasants holding lighted tapers, with later revelry by the light of bonfires. There her husband, the Honorable John F. Amherst Cecil, continues to breed a fine line of hogs.

WE ADMIT TO BEING PROUD OF THESE THINGS



FIRST: That in seven years we have built an advertising agency which is generally regarded as one of the five or six ablest in the country.

SECOND: That we have lost only one client due to dissatisfaction with our service.

THIRD: That nine of our fifteen clients first tried our service on one product, and were so happy with the result that they engaged our help on additional products.

FOURTH: That sixty per cent of our growth since the first year has come from additional business given to us in this way by clients.

YOUNG & RUBICAM, INCORPORATED · ADVERTISING
NEW YORK · PHILADELPHIA

Transactions

Condensations and analyses beneath the headlines of the business news.

Consolidated Gas to Absorb N.Y. Steam Co.

Who.—The New York Steam Corporation, which supplies 2,250 Manhattan buildings with steam heat (9,250,000,000 pounds of steam this year) . . .

What.—Was acquired by the huge Consolidated Gas Company of New York (total assets more than $1,171,000,000), which in its own name and through its subsidiaries already owned considerable stock in the steam company which heats the Grand Central station and the Chrysler Building . . .

Why.—Office dwellers want heat in the morning, light in the afternoon and evening. "Duplicating plant facilities," says Charles A. Gillham, vice president of the steam concern, "could be eliminated because the peak load requirements of the two companies are dissimilar. The peak load of the Consolidated Gas Company is in the afternoon and later, and that of the New York Steam Corporation is in the morning."

HUGE NATURAL GAS COMPANY PLANNED; ANNOUNCE MERGER

Who.—The United Gas Company and the Electric Bond and Share Company, mammoth holding companies which, through their subsidiaries, control some of the largest units of natural gas in the world . . .

What.—Will merge their natural gas holdings in one big company. To the combine the United Gas Company will bring the natural gas properties of Standard Oil of New York's Magnolia Petroleum Company, operating now as the Magnolia Gas Company, upon which it has an option. United Gas will also bring the four natural gas companies in which, at the time of its formation in 1928, United Gas held controlling interests. Acting through its subsidiary, the Electric Power and Light Company, the Electric Bond and Share Company will put the Louisiana Gas and Fuel Company and that company's subsidiary, the Palmer Corporation, into the merger. The new corporation will furnish 190,000,000,000 cubic feet of natural gas a year to consumers in a territory extending from St. Louis to Mexico . . .

Why.—During the past few years the natural gas industry has shown itself to be the most rapidly expanding division of public utility enterprise. With this merger, the Electric Bond and Share Company, which has always been primarily identified with the electrical end of the utility industry, takes its place toward the front rank of the gas industry.

United Fruit, Roosevelt and Grace Lines Will Build Eleven Fast Vessels.

Who.—Walter Folger Brown, of Ohio, Postmaster-General . . .

What.—Awarded five ocean mail contracts: three to the United Fruit Company for Puerto Armuellas and Limon in Costa Rica and Puerto Colombia in Colombia; one to the Grace Steamship Company for Valparaiso in Chile; and one to the Roosevelt Steamship Co. for Hamburg in Germany. The awards call for the building by the lines of eleven fast vessels for foreign trade with an aggregate tonnage of 80,000 tons at a cost of about $40,500,000. The three companies will receive $2,423,394 the first year under the awards, and increasing payments as new tonnage is added during the contracts' ten years . . .

Why.—Said Postmaster-General Brown: "This is an important step in carrying out the program which President Hoover has laid down to take up the slack of unemployment."

ASSOCIATED OIL JOINS IN BIG JAPAN PROJECT

Who.—The Mitsubishis, whose interests in mining, banking, shipbuilding, importing, exporting, shipping, and insurance make them the great rivals of the opulent House of Mitsui in financial Japan . . .

What.—Through Mitsubishi Goshi Kaisha, the family holding company (capital: yen 120,000,000 or $60,000,000), they formed with Associated Oil Company of California, which produced 14,838,514 barrels of oil in 1929, the Mitsubishi Oil Company, Ltd. The company, with headquarters in Tokyo, will have a capital of yen 5,000,000 . . .

Why.—For the purpose of manufacturing and marketing petroleum products in the East. Crude oil requirements of a huge refinery, now being built near Tokyo, will be furnished by Associated from its California wells.

Chase Tops All Banks in Merger Of $2,800,000,000

Who.—The biggest bank in the world, the Chase National Bank of New York (resources $2,814,535,000; deposits $2,073,644,000) . . .

What.—Was formed by merger of three New York banking institutions: the Chase National Bank (resources $1,714,829,447; deposits $1,248,218,351); the Equitable Trust Company (resources $1,013,970,798; deposits $625,427,575); and the Interstate Trust Company (resources $85,735,389; deposits $60,081,602) . . .

Why.—The new bank will be $600,000,000 greater in resources than either the second largest, National City Bank (resources $2,206,241,000; deposits $1,649,554,000), or the third largest, the Midland Bank of London (resources $2,169,212,000; deposits $1,833,038,000).

SAY BISCUIT CO. SEEKS COAST FIRM

Who.—The National Biscuit Company, the world's largest manufacturer of biscuits . . .

What.—Plans to acquire the Pacific Coast Biscuit Company, which made $522,676 in 1929 from biscuits and candies manufactured for the peoples of the western states, the Hawaiian Islands, the Philippines, and the Orient . . .

Why.—The acquisition, which would give the National Biscuit Company a desired outlet on the Pacific Coast, is believed to be a part of the new expansion plan announced by National Biscuit last fall when its capital stock was increased.

ALASKA PACKERS BUYS CROSBY CO.

Who.—The Alaska Packers Association, salmon canning subsidiary of the big California Packing Corporation ("Del Monte," "Sun Kist")...

What.—Acquired the Crosby Fisheries, Inc., Seattle salmon company, and its fleet, including the *Salmon King*, one of the largest vessels used in the salmon industry, for a reported $250,000 . . .

Why.—The California Packing Corporation, since its organization in 1916, has been expanding aggressively to include, for packing and distribution, all the chief food products of the West Coast.

[*Continued on page 136*]

When there's no time to think!
WHEN the "whole world" is thundering toward you....when devil-may-care folks "cut in" and "cut out".... *that's when things happen*....when there's no time to think!
The time to think is *now!* More traffic! More risks! All the more need for automobile insurance—and *plenty of it!*
An Ætna Combination Automobile Policy can be written with Liability and Property Damage limits of any amount needed to protect you against high damage awards. Protection *all ways—always,* wherever your car takes you.
Ætna writes practically every form of Insurance and Fidelity and Surety Bonds. Ætna protection reaches from coast to coast through 20,000 agents.
Ætna Casualty and Surety Company—Ætna Life Insurance Company—Automobile Insurance Company—Standard Fire Insurance Company of Hartford, Conn.
ÆTNA
ÆTNA-IZE
SEE THE ÆTNA-IZER IN YOUR COMMUNITY—HE IS A MAN WORTH KNOWING

Budget for $17,000 in Athens

The mutation of dollars into drachmas or marks makes for pleasant living. In general, a European budget; in particular, an Athenian.

(Prompted by FORTUNE*'s recent publication of a Chicago Budget for $25,000 and a New York Budget for $50,000, a temporary expatriate, in the U. S. Consular Service, who prefers to remain anonymous, has offered his own budget of American dollars spent in a European city. His city is Athens; his income, $17,000.)*

THINKING that the actual expenditures of an American residing permanently in Europe might be of interest to my compatriots in Volstead Land, I have set down my actual average expenditures for the past three years.

I am married and have three small children. I have an income of $17,000 ($11,000 from securities and a salary of $6,000). My actual experience covers residence for some years in Berlin, Paris, Vienna, and Athens. While I am at present residing in the last-named capital, the accompanying table shows my actual outgo for the past three years, and probably forms a fair cross section for most parts of the Continent. The figures are actual results, not a budget, because my wife and I find it difficult, psychologically, to attempt to adjust our living scale to a prearranged plan. My only object in keeping accounts was to find out why drachmas, marks, francs, and shillings were just as elusive as the artful dollar.

Taking the table in order, the rent item of $1,700 pays for an unfurnished house of eight rooms two miles from the center of the city. It includes a large garden, chicken coop, garage, stable, and gardener's house. Judging by my experience in America in pre-radio days, I pay somewhat less than the same quarters would cost in the States.

Food, including dinner parties and the cost of feeding four or five servants, is on the whole cheaper than in America, varying with the agricultural character of the country of residence.

But it is the item of servants' wages that will squeeze the briniest tears from the ducts of my jealous American readers. At present I am paying $110 monthly for a good chef, an English governess, butler, maid, and a general yardman and gardener. The servants think nothing of working from seven in the morning until midnight and are delighted when a dinner party is given, because of the Continental custom of tipping on the part of the guests.

Fuel, laundry, household expenses, sports, clubs, doctors, dentists, schools, and theatres are all somewhat cheaper than would be the corresponding items in America. My expenditures for doctors and dentists are less than our Chicago or New York friends reported in their budgets, but who am I to reproach them if their families insist upon being separated from an occasional appendix or a lackadaisical set of tonsils.

I suppose by this time my unhappy reader is casting envious glances at certain bibulous items. (Quick, Watson, how many bottles of whiskey at $1.20 and gin at $0.65 will $200 buy? Watson, your perspicacity in immediately concluding that the writer is not a missionary is to be commended.) In explanation of the low prices of joy-water, I must add that my position ordinarily enables me to import personal wants without duty. For that reason, we buy our linens in Belgium, clothes in France or England, glassware in Italy, rugs in the Near East, wines in France, spirits in England, canned goods and our occasional motor in New York at wholesale. We are also able to get our American cigarettes out of bond at seven cents the package.

While our travel expenses appear rather high, we find a vacation of a month each year in France or England well

[*Continued on page 102*]

BUDGET FOR ATHENS

Rent	$1,700	
Food	2,100	
Wages	1,200	
Fuel	250	
Laundry	200	
Household expenses	250	
		$5,700
Drugs, cosmetics	$ 100	
Whiskey, gin	200	
Wines, liqueurs	130	
Beer, soda	70	
Hairdressing	50	
Tobacco	70	
Newspapers, magazines	60	
Tailor, cleaning	60	
Flowers	60	
		$ 800
Sports	$ 70	
Auto expenses	700	
Clubs	70	
Dentist	80	
Doctor	60	
Clothes, wife	800	
Clothes, me	400	
Clothes, children	360	
Presents	200	
Language lessons	200	
School	100	
Theatres, restaurants	250	
Summer vacation	1,000	
Other trips	1,400	
		$5,690
Rugs	$ 280	
Furs, jewelry	100	
China, silver	110	
Furniture, pictures	680	
Books	70	
Laces, linens	60	
		$1,300
Taxes	$ 20	
Insurance	480	
		$ 500
Otherwise unaccounted for		400
SPENT		$14,390
SAVED		2,610
		$17,000

Faces of the Month

Blank–Stoller

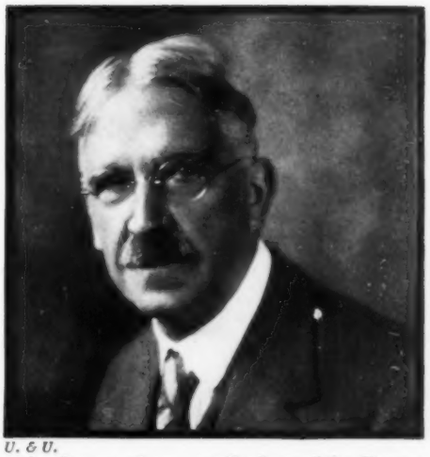
A series of bold, vigorous moves has placed the Brothers Van Sweringen very much in the railroad limelight. The man who will run any railroads they may acquire is their operating chief, John J. Bernet (above). Now president of the Chesapeake & Ohio, Mr. Bernet has done notable jobs of reconstruction on both the Erie and the Nickel Plate.

U. & U.

Few congressmen smell danger more often than Representative Louis T. McFadden, of Pennsylvania (below), chairman of the House Committee on Banking and Currency. During recent talk on the marketing in this country of German reparation bonds, Representative McFadden attacked the International Bank, the Versailles Treaty, the World Court, the League of Nations, the Department of State, the Federal Reserve Board, and J. P. Morgan & Co.

International

William Green, American Federation of Labor head (right) has asked the Senate to do something about unemployment—or face either a dole system or a revolution. Heywood Broun (left) has "done something." His "Give a Job" campaign in the New York *Telegram* found work for 185 persons in its first two weeks. Often he goes down to the breadlines at 6 A.M. to pick out men himself for the jobs he has been "given."



U. & U.

At the age of seventy, Professor John Dewey, dean and leader of American philosophy, is retiring from the faculty of Columbia University. No closet philosopher, he has profoundly influenced the course of American education. As chairman of the League for Independent Political Action, which aims to create a third party, he is an important liberal force in politics.

P. & A.

Keystone

U. & U.

These horses have earned more than some corporations, more than all other race horses. First place goes to Harry F. Sinclair's *Zev* (left), who has won $313,639. Second comes Walter J. Salmon's *Display* (right), with earnings of $256,376. Third place has just gone to *Victorian* (above), owned by Silas Mason and W. Arnold Hanger. *Victorian* has earned $251,875 to date, $98,400 of it by his recent victory in the Agua Caliente Handicap.

P. & A.

Faces of

Cameragrams

U. & U.

Rationalization, long the watchword of German industry, has at last reached German shipping. A fifty-year pooling agreement is announced by the heads of the two great German steamship lines: President Philipp Heineken, of the North German Lloyd (left), and President Wilhelm Cuno, of the Hamburg-American Line (right). The agreement means the end of competition between two traditional maritime rivals. A joint board will manage the two companies, arranging sailing schedules so as to avoid duplications, making common use of terminals and other properties, and drawing up the balance sheets so as to give each company an equal share of the profits. Each line, however, will keep its separate identity, jealously retain its ancient house flag. Even so, the pool is a bitter pill for the local pride of both Bremen (North German Lloyd) and Hamburg (Hamburg-American). The rivalry between these Hanseatic ports is nearly as old as trade itself. The pool commands 2,000,000 tons of shipping at present, with a prospect of absorbing certain affiliated smaller lines to swell the total to a monstrous 3,000,000 tons, which would top even the Royal Mail's gigantic tonnage.

International

Dr. Edwin R. A. Seligman, economist of weight and editor-in-chief of the new *Encyclopedia of the Social Sciences*, has sold his library to his college. His library: 50,000 volumes on economics, valued at $1,000,000. His college: Columbia, where he teaches political economy.

Keystone International

Bankers are men of many interests, none more so than Charles Hayden, of Hayden, Stone. *Left:* As engineer on the Rock Island, of which he is chairman. *Right:* As riveter on the new Waldorf-Astoria Hotel, of which he is also chairman. He is driving the first rivet into a steel framework that will climb forty-six stories into the air. Hectic would be Mr. Stone's life if he played similar rôles in each of the seventy-two corporations on whose boards he sits. Among other things, he would swing a pick for Kennecott Copper, bottle pop for Mavis and Coca-Cola, drive a Mack truck, drill Shell Union oil, and pilot planes for Wright Aeronautical.

International

Back of the Mann.—This mighty pair of shoulders and the bulging arms adjacent thereto have earned their owner, Primo Carnera, $103,391 since January. Mr. Carnera acquired this sum by the simple process of knocking out ten men, at an average fee of $10,339.10 per k.o. Only one of the ten remained conscious for more than two rounds.

Press Cliche

Comrade Y. E. Rudzutak, who heads the Soviet Transport Commissariat, is being heckled by his Comrades on the poor condition of the railroads. The inefficiency of the Commissariat is a popular topic with the Soviet Press. Comrade Rudzutak retorts that he can't run his railroads efficiently because he can't get back his freight cars. Factories and shippers take their time about unloading and returning cars, with the result that there are now more than 20,000 cars (according to the Commissar's figures) standing on Soviet sidings, patiently waiting to be unloaded.

the Month

Keystone

"Any comment regarding the passenger business is necessarily monotonous repetition," glumly remarks Fairfax Harrison, president of the Southern Railway, in his company's annual report. The "monotonous repetition" is a drop both in number of passengers carried (7,000,000 in 1928; 6,300,000 in 1929) and in passenger revenue ($24,000,000 in 1928; $22,000,000 in 1929). I.C.C. figures show that the Southern is not unique, that passenger traffic in 1929 declined for the sixth consecutive year. The *Railway Age* estimates that if passenger traffic had kept at its 1920 level, the railroads would now be $2,300,000,000 richer.

International

Fifteen years ago, Percival Lowell (brother of Harvard's A. Lawrence Lowell), after lengthy and abstruse calculations, predicted that a ninth planet would be found in a certain place in the heavens. A year later he died. On January 21, 1930, a photographer at the Lowell Observatory in Flagstaff, Arizona, "detected an object" on one of his plates. Now the Observatory announces that the "object" was Mr. Lowell's ninth planet, precisely where he said it would be.

Cattieragrams

"I had no intention of making a record. The *Europa* just walked away with it." Thus Captain Nicolaus Johnsen. "It's a good thing for those few extra minutes . . . Otherwise the *Europa* would have been just another boat." Thus a North German Lloyd official. The *Europa* beat the *Bremen* by just eighteen "extra minutes."

International

On April 8, Dr. William Henry Welch celebrated his eightieth birthday. Not alone did he celebrate. Doctors and laymen met all over the world to honor the venerable dean of American medicine. Dr. Welch has taught at Johns Hopkins for forty-five years, has been a distinguished pioneer in laboratory and public health work since 1877.

International

Rare indeed is a conjunction of planets (and stars) like this one. Left to right: Mary Pickford, ex-President Coolidge, Louis B. Mayer, Mrs. Coolidge, Will Hays, Marion Davies. Dwarfed though he is by the Davies eruption, Mr. Hays is not to be overlooked. Impressively, he has announced a 15,000,000 increase in weekly movie attendance last year. And he has promulgated a new moral code for the movies. Some provisions: "The use of liquor shall be restricted to requirements of plot or character . . . Such subjects as hangings or electrocutions shall be treated within the careful limits of good taste. . . Scenes of passion shall not be introduced when not essential to the plot."

Faces of the Month

Henry Ford's Number-One Man in Europe is Sir Percival Perry, chairman of the Ford Motor Company, Ltd. Of late he has both pleased and peeved Britishers. Pleasing (and to American ears amazing) was his reference to the English Ford as "more honestly British than any other automobile in this market . . . a product of which we, as Britishers, can be very proud." Peeving was a Ford statement released by Sir Percival. Characteristic Fordism: "If some English employers are not efficient enough to pay high wages, the sooner they go the better."

International

Dr. A. A. Mitten, who succeeds his father as head of the extensive Mitten traction interests in Philadelphia and Buffalo, is a dog fancier of note. He is showing off his champion pointer, *Denwood Ada*, which he exhibited at the Pennsylvania Athletic Club Dog Show.

Panajou

No one in France knows more about Bordeaux wines than the Abbé Dubaquies—which is saying much. In his laboratory he has been testing, tasting wines for twenty-six years, studying the microbes which are the prosaic basis of the finest vintages. His studies are not academic: they have led to an improved "œnology" (method of wine making) that sharpens the nuances of vintage flavors. Not long ago the Abbé was sent to London by the wine merchants of Bordeaux. His mission: to praise wine to whiskey-and-ale-drinking Britishers.

International

Sir Henri Deterding, head of the Royal Dutch Company (Shell Oil), has been talking long and earnestly across the Atlantic with the partners of Dillon, Read & Co. His telephone conversations have arranged the details of a new $40,000,000 Royal Dutch offering . . . Debentures can be settled over the telephone; not so spiritual issues. Which is unfortunate, for Sir Henri would rather like to ring up Mahatma Gandhi one of these days. Two Gandhi bogies haunt Sir Henri: (1) that the Mahatma may extend his boycott on British goods to Shell Oil; (2) that a bright competitor may trade-mark his oil "Gandhi," sell it enormously.

Wide World

Of the 100,000,000 people affected by the 1930 census (the number itself depends on the census) these three are chiefly concerned: Robert P. Lamont, Secretary of Commerce; Julius Klein, Assistant Secretary; William M. Steuart, Director of Census. The ratio of two Commerce men to one Census man is significant. The 125,000 enumerators who took the 1930 census asked many questions, gathered much data about the two great economic puzzles: unemployment and distribution. Messrs. Klein and Lamont, and with them all business men, hope this data will throw some light on these dark places.

The **FIRST**
NATIONAL BANK *of*
BOSTON

★

If your business requires foreign banking facilities you will do well to consult **THE FIRST NATIONAL BANK** *of* **BOSTON,** *one of America's outstanding international banking institutions.*

★ ★ ★ ★

Foreign Branches: BUENOS AIRES, ARGENTINA; HAVANA, SANTIAGO, CIENFUEGOS, *and* SANCTI SPIRITUS, CUBA. *European Representatives*: LONDON, PARIS, BERLIN.

worth the cost, and an occasional trip "back home" is a necessity if our *a* is not to become too broad.

As for the children's vacation, it costs perhaps one-half or one-third what it would cost at an American summer place.

It will be observed that I spend an average of $1,300 annually on more or less capital acquisitions such as furniture and rugs. I don't see how one can maintain a house with any mental satisfaction without occasionally picking up antiques, furs, or pictures. Buying such articles advantageously, as I usually succeed in doing, I will find them profitable investments when I eventually return to America, since I shall not have to pay duty if I have owned the articles more than a year. And to take the purely negative side—we are not loaded up with obsolete radios, motion picture cameras, electric refrigerators, and automatic heaters. Having never owned any of the foregoing, and not being high-hatted by my European friends for such an omission, I can, instead, have the family done in oils, or pick up an occasional refectory table. Besides, we honestly get more satisfaction out of our photograph album than we would out of a motion picture machine, an instrument that I found rather detestable upon a recent trip home. We are even naïve enough to prefer tennis to golf, since one is not ostracized for such economical tastes among the Europeans we know.

The $400 "otherwise unaccounted for" probably slips away in the form of tips, taxis, bridge losses, etc. I have found that to keep accounts of such details is too irksome, and has probably been the doom of more than one family budget.

My cleaning and pressing bills are low, judged by American standards, as the servants expect to do this work. As for shoe-shines, I don't see how Americans can get along with less than one shoe-shine per person per day. In a family of five that means $180 per year that the European resident is spared and is probably the origin of that old saying that when Greek meets Greek they start a shoe-shining parlor.

The sum of $20 for taxes is ever so much smaller than the corresponding item of the man from Chicago, because my salary, being of a foreign source, is not taxable, and my securities are stocks which exempt the dividends from normal tax.

I find that the average of several budgets drawn up by different American savings banks and insurance companies, for persons in my income class, compare with mine as follows:

	American Budget *Percentage*	My Budget *Percentage*
Shelter	19	10
Food	17	14
Clothing	14	9
Operating expense	14	14
Advancement (improvement)	18	24
Savings	18	19
Capital expenditure (furniture, etc.)	0	10
	100	100

If I were a Will Durant, I suppose I could find material in the above comparison to show the different standards and *mores* prevailing in Europe and the United States. It does seem to show that Europeans are less likely to go in for the good old American sport of keeping up with the Joneses, with a resulting increase in savings and property acquisitions. From my own observation, I am convinced that there is a good deal of truth in this banal generalization. For instance, when we get a new car my wife and I are likely to be apologetic about it when talking with a cultured European. We save our boasting (not being free of that very human trait) for the retired American bootleggers that are making a quick "round" of Europe on their own yachts. There is no doubt that it is not unfashionable to be thrifty in Europe, whereas among Babbitts such a tendency reflects seriously on one's social position whether one is at home on Park Avenue or State Street in Sioux City.

I daresay that the budget figure of 18 per cent for savings is in practice rather an optimistic goal, which, let us hope, is not inspired by business considerations on the part of the savings banks. My savings, on the contrary, are real, whereas I should probably belong to the "new poor" had I been subject to the hysteria of Wall Street during the past two years. As it was, finding the enthusiasm contagious on my last trip home, I bought a market leader at 68. Fortunately, after two months in Europe, with a chance to analyze the stock in a sane atmosphere, I sold at 66. During the November break this same stock (United Corporation) could be had at 19. And, in fact, I have since bought several stocks at prices that now show me a profit.

I shan't attempt to discuss the cultural advantages of European life, my purpose being merely to point out the financial aspect. However, while all of my family speak French and German as well as English, and we know more about art, rugs, music, and antiques than we otherwise would, every year convinces me that modern European culture is much more shallow than I used to imagine from the gloomy depths of the chicken patty course of the weekly Rotary Club luncheon in Zenith. I often wonder if I wouldn't be happier in giving up the ease and various advantages of Continental life to go back and live where life really sizzles—hot dogs, go-getters, radios, and all. And some day, I suppose, I shall.

Publishers Photo Service

THE CITY OF ATHENS AS SEEN FROM THE ACROPOLIS

CONQUERING THE FOE ···
that turned back a Zeppelin

A giant Zeppelin not long ago started across the Atlantic. Hardly was it well under way, when, one by one, the drive shafts of four of its five engines cracked and went out of action. The great air ship turned back and landed—just in time, as mechanics soon discovered, for the fifth shaft was almost at the breaking point.

Vibration which turned back this huge Zeppelin is a foe to every modern high speed machine. In the Westinghouse research laboratories at East Pittsburgh vibration has been put on the stand to disclose its own secrets. Its ways have been charted. Its behavior has been reduced to mathematical formulas which engineers can now use in designing machinery to operate at the high speeds which modern industrial methods demand.

Not only in electrical details of modern machinery, but in mechanical details as well, Westinghouse carries on its work of helping you to have more by making machines capable of doing more.

The results of Westinghouse research serve you in mines and factories, theaters, homes, stores, and offices—wherever the work or recreation of the world is carried on.

ELECTRIC POWER BUILDS BUYING POWER

Westinghouse

Marshall Field, Tom, Dick & Harry

Has become, within a decade, Chicago's important and prosperous Field, Glore & Co.

IT HAS long been the fashion for old-time companies to advertise the number of years they have been in existence. Field, Glore & Co. makes no such boast. Most of the better-known investment houses were already tutoring a third generation in the intricacies of finance when Field, Glore & Co. came into being in Chicago. Last month the house celebrated its tenth birthday. It noted that within those ten years it had been a principal in participations totaling more than two and a half billion dollars.

There were, of course, contributing aids: the fortune of Marshall Field III, grandson of the founder of Chicago's great store and president of Field, Glore & Co.; the genius of vice president Charles Foster Glore, one of the brightest young men in a bright young city; the Coolidge wave of prosperity, carrying many a new enterprise on its high crest; the great vigor of Chicago itself. Emerging from the hard-boiled era of the pioneer industrialists, Chicago found itself moderately sophisticated but immensely rich and immensely energetic. Field, Glore & Co. happened at the right time to harness both money and energy. Most notably, Field, Glore in 1929 produced the Chicago Corporation.

When, in February of last year, the Chicago Corporation was organized, the house made an interesting announcement: the Chicago Corporation was *not* to be a "so-called investment trust." Instead, it explained, it was to be a "financial corporation designed to supplement the existing facilities of the Middle West." This statement gratified the Board of Trade and the Chamber of Commerce; they were well aware, as were other local boosters, that before the inception of the Corporation, companies seeking capital were forced to go east to New York when Chicago banks, because of the nature of the loans, were unable to assist them. But the statement was of no such vital interest to potential investors, for they were not so much concerned with *where* (geographically) their money was to be loaned out as *who* was to do the lending. What impressed them, then, was the list of those Chicagoans on its directorate—an imposing list and worth setting down herewith: Sewell L. Avery, president of the United States Gypsum Company; B. A. Eckhart, president of his own milling company; George B. Everitt, president of Montgomery Ward & Co., Incorporated; Marshall Field, Stanley Field (uncle); Charles Foster Glore (also the Corporation's president); Donald R. McLennan, president of Marsh & McLennan (insurance) and a financier of unquestioned ability; George A. Ranney, vice president and treasurer of the International Harvester Company; James Simpson, then president, now board chairman, of Marshall Field & Co., Inc.; Silas Hardy Strawn, board chairman of Montgomery Ward, also a senior partner of Chicago's best-known law firm (Winston, Strawn & Shaw); Edward F. Swift, vice president of Swift & Company; F. Edson White, president of Armour and Company; David A. Crawford, president of Pullman, Inc.; and Arthur W. Cutten. A more representative list of Chicagoans could not be compiled at any price.

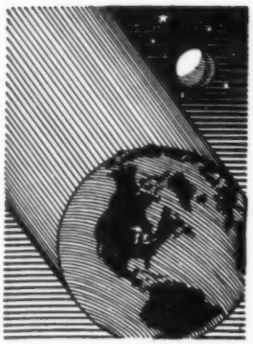
Underwood & Underwood
MARSHALL FIELD III

Stock was sold to the public in units—a share of convertible preferred and a share of common—750,000 shares of each, with 1,000,000 shares of common being purchased by a small group, a majority of whom were directors. From the sale the Corporation received $59,375,000, mostly Chicago capital. But such a sum is not easy to invest hurriedly, in one or even a hundred concerns. It could have gone to the Chicago call-money market, but at that time on Illinois statute books was a usury law and 6 per cent was maximum, and the wise men of finance had not yet conceived a scheme of getting around the law by establishing a "service charge." Thus the $60,000,000 traveled to the New York call-money market, where, as everyone remembers, interest rates were reaching stupendous peaks of 9, 10, and on one day, 20 per cent. And, although some of the money was soon brought back to Chicago to relieve an embarrassing credit situation there, most of the $60,000,000 remained in New York, and thus arose a conflict—the investors on one side, pleased at a step that was bound to make them more money; the Make-Chicago-First-City townsfolk on the other, frankly disappointed at what seemed to them a broken promise.

But such small grumblings lessened not at all the continually mounting enthusiasm for the Chicago Corporation: stock units rose, slowly at first, from 65 in March (it was brought out at 66 the unit) to 73 in June, and then more rapidly until, by the end of July, it was selling for 123½ (still listed in units, for sake of comparison, though the stock was split up during that month). Also, in that month, the Corporation made a significant move when it became one of a group which invested not lightly in the Willys-Overland Co. The seller was John North Willys himself, who held some 800,000 shares of Willys-Overland common. Just before the sale, there were persistent merger rumors; some said with Packard, long aloof from combines; others said with Nash; still others talked of a merger of all three. Chicago Corporation stock remained strong for two months—as long as the rumors continued to persist—and an all-time high of 142 was reached on August third. Split up, this meant a price of 73 for the common and 69 for the preferred. The spread lasted for only one feverish day.

By September Chicago Corporation stock started to ease off, when investors were convinced there would be no mergers. September's low was 100 (common, 46; preferred, 54). October's was of course tragically lower—a combination price of 54 for the two, which was followed by an all-time low in November

Blank-Stoller
CHARLES F. GLORE



SPEED—
the world salutes each victor . . . each conqueror of time

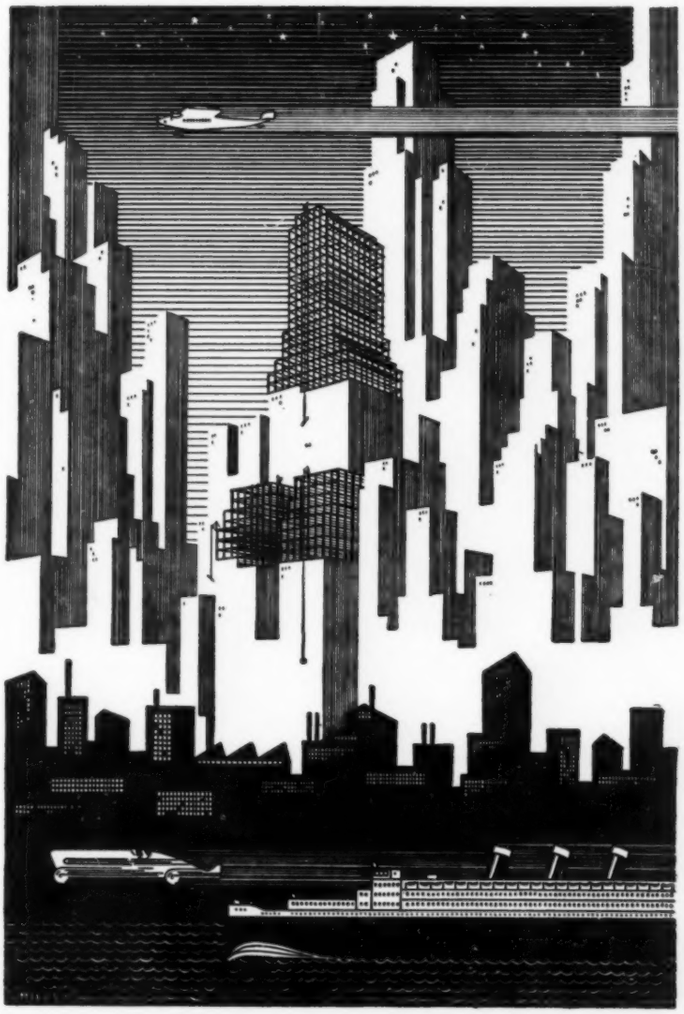
MOUTHS stood agape when headlines told of an ocean liner clipping nearly nine hours from the trans-Atlantic voyage . . . eyes popped when a racing car attained a speed of nearly four miles a minute . . . when a roaring plane hurtled through the air to establish a new mark of 355 miles an hour.

. . . and business executives, too, have commented as Austin, international engineers and builders, created amazing speed records . . . erecting a mammoth six-story manufacturing building in Northern Jersey 23 working days ahead of the guaranteed 90-day completion date . . . in the Midwest, designing and constructing a complete plant of 125,000 square feet for efficient straight line production, in the short span of 60 working days.

Years of research and toil precede the perfected machine that sets a record. In like manner, the Austin organization has progressed by ever seeking out and applying better methods . . . by developing and sponsoring the improvements which provide low cost design and rapid construction of industrial plants and commercial buildings.

Speed, not to the exclusion of all else . . . but speed that permits occupancy of your buildings weeks before you had expected . . . speed that puts you into production on that new article before competition is aware of its existence . . . speed covered by a rigid bonus and penalty clause in the contract if you desire . . . *that is Austin speed!*

Helpful building data and approximate costs on any project you may be planning will be gladly furnished. Wire, phone or write today.



THE AUSTIN COMPANY

The AUSTIN METHOD *of Undivided Responsibility*

Design, construction and building equipment . . . separate responsibilities ordinarily . . . become one unified responsibility under The Austin Method. One nation-wide organization handles the complete project under one contract which specifically guarantees in advance, total cost, time of completion with bonus and penalty clause if desired; and quality of materials and workmanship.

THE AUSTIN METHOD

ENGINEERS AND BUILDERS . . . CLEVELAND

of 12½ for the common, 35 for the preferred.

Unfortunately, now that the general gloom has somewhat passed and Chicago once more takes a cheerful view of business activity, investors in the Chicago Corporation get little satisfaction from an examination of its annual statement. Few investment trusts reveal at what prices, at what times, and in what amounts they make their commitments. In the annual statement, issued last January, Chicago Corporation declared: "Until the end of October the funds of the Corporation were largely employed in the call-money market, substantial sums being loaned in Chicago. During that time, the Corporation did not buy a general investment list of securities, but, consistent with its stated purpose, made a number of substantial commitments in situations offering favorable opportunities of constructive developments over a period of time." Then followed a discourse on Willys-Overland, which was not specific. What other stocks were purchased before October, the statement did not say. What stocks it owned afterward (as of December 31) were listed with satisfactory completeness. Holdings, as of that date, proved to be valued at $50,161,958, which figure was some $9,000,000 less than the value of assets at the time the Corporation was formed.

Even though the Corporation's net 1929 profit of $4,224,443.75 did not take into account the decline in market value of the securities owned, it may be presumed that it still owns most of those upon which it took a loss. In March stockholders were told that net market value appreciation in the first two months of 1930 totaled $4,000,000. And the Corporation's position in cash on hand, call loans, and short-term credits, amounting in all to $18,400,000, is strong. What appeared to be the Corporation's weakest point was, obviously, its still-substantial holdings in Willys-Overland common—250,000 shares, some of which, however, had been purchased at low prices during the run of the low market.

Thus the Chicago Corporation—a fundamental part of Field, Glore & Co. and, if not its outstanding achievement, certainly its outstanding enterprise. Even so, it was not Field, Glore's only venture in investment trusts. Another was, and still is, the Continental Chicago Corp., about as similar in operation as it is in name, with the noteworthy difference that Field, Glore in this later participation was second, not first, in the syndicate. Chief member of the syndicate is the Continental Illinois Co., and therein is seen the fourth spoke of a wheel of happy business alliances. First of all in these alliances there is the matter of the connection which Charles Glore and Donald R. McLennan had with the formation of the Continental Illinois Bank & Trust ("Largest bank under one roof"), parent of the Continental Illinois Co. Together they were largely responsible for the merger. Next there is the fact that both Mr. Glore and Mr. McLennan are directors of the Chicago Corporation, as above noted, and both are directors of the Continental Illinois. Moreover, the Chicago Corporation and the Continental Chicago Corp. have four other directors in common: White, Swift, Stanley Field, Eckhart. That is the circle—Field, Glore to Chicago Corporation; Chicago Corporation to Continental Illinois Trust; Continental Illinois Trust to Continental Chicago Corp. And back again.

The fourth spoke, Continental Chicago Corp., is presided over by Arthur Reynolds, which adds strength to the wheel, as he is the Brother Reynolds who is chairman of the board of Continental Illinois Bank & Trust Co. The Corporation has outstanding 1,750,000 shares of common, 1,000,000 of them owned by the Continental Illinois Co. Organized September 11, 1929, it had hardly the time to make investments before the stock market disaster came. This was, perhaps, a fortunate fact, inasmuch as a satisfying amount ($26,610,448.99) of its total capitalization ($64,101,759) was still in the comparatively safe forms of cash, call loans, short-term notes at the end of the year. Its stock depreciation was $4,900,000—less than half that of the Chicago Corporation. Its earnings were $693,259.07 (again not taking into account decline in market value of securities)—also less, because of the shorter time it has been in operation.

Then there is still a third, somewhat parallel Field, Glore enterprise—Chicago Investors' Corp.—which is frankly more of an out-and-out investment trust than either of the other two, and could not so easily be included in the wheel. It was formed some two years ago as a private business with about twenty or thirty Chicago financiers owning all its stock. It became public property on August 27 last year, when 150,000 shares of preferred stock were sold publicly. Its story is needless to tell—the story of all like companies whose securities depreciated last October. With a market value of its assets (at the time of public sale) of $20,071,446, after the retirement of 80,000 shares of preferred stock (capital value, $4,000,000), market value of assets had decreased to $10,563,856.87. In making the annual report, however, Chicago Investors, unlike the aforementioned others, *did* adjust its records to show the cost or market value (whichever lower on December 31) of securities. The loss, $2,937,827.54, was carried to surplus.

It would be unfair to permit judgment of the worth and reputation of Field, Glore on the rise and fall of its investment trusts alone. Many of Field, Glore's activities have been far removed from such concerns. With foreign corporation commitments, it has had a great measure of success. It has floated issues of Italian Superpower to the extent of $20,000,000; it has participated in issues of $10,000,000 each in Rhine Ruhr, Este Road, French Mail, "Montecatina" (Montecatina Societa Generale per l'Industria Mineraria ed Agricola), Meridionale Electric; $30,000,000 in the city of Milan; $4,000,000 in Hamburg Electric. Its utility participations in Illinois Power & Light alone aggregate $100,000,000. Among its issues of prime interest to Chicago are those of Marshall Field & Co. bonds ($17,500,000), Fair Store preferred stock ($6,000,000). Once it was interested in municipals, but lately has underwritten few such. Small are the profits in bonds of cities and states.

During the first few months of the present year three Field, Glore underwritings and participations have exemplified the ever-increasing scope of the company's activities. First came the underwriting of $60,000,000 worth of preferred stock and 2,000,000 shares of common stock of the consolidated Republic Iron & Steel Co., which came about through the merger of Central Alloy Steel Corp., Bourne Fuller Co., the Donner Steel Co., and the old Republic Iron & Steel Co. Heading the syndicate, in which Field, Glore is next to top, is Cyrus Stephen Eaton's Otis & Co.

[*Continued on page 140*]

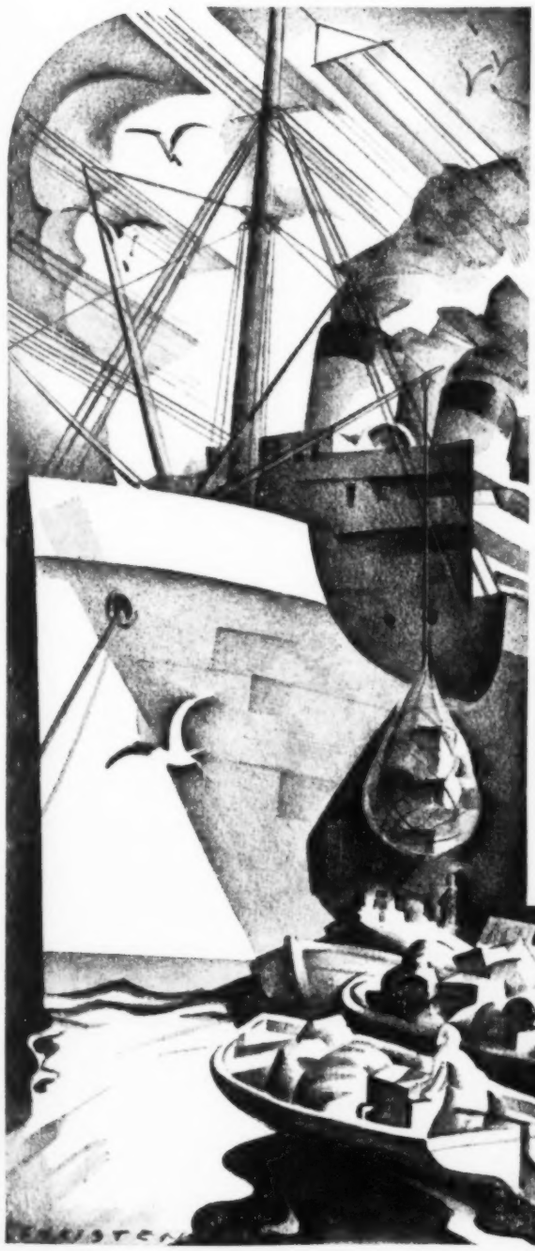
Hamilton Maxwell, Inc.

ON THE MARSHALL FIELD ESTATE, AT LLOYD'S NECK, L. I., IS THE BEST PHEASANT SHOOTING IN AMERICA

CARNEGIE LIBRARY OF ATLANTA

OVER SEAS

When American products go down to the seas in ships, the question of boxes and crates becomes doubly important. Shipping cases must be strong enough to endure many rough handlings, and designed to overcome other hazards of transport by sea. At the same time they must not be bulkier or heavier than the safety factor demands, because export tariffs are high and import duty is often assessed on gross weight. Where is the happy medium, precisely? . . . General Box Engineers have solved this vexatious question for many customers, the right answer to which is so profitable. They will bring to your export or domestic shipping problem an abundance of experience and an unbiased point of view. Consult with us about lowering your shipping costs to increase your profits or expand your markets.



Among those with whom we have cooperated—

R. J. REYNOLDS TOBACCO COMPANY
(Camels, Export)

NATIONAL BISCUIT COMPANY
(Export)

PRO-PHY-LAC-TIC BRUSH COMPANY
(Export)

COLUMBIA AXLE COMPANY
(Export)

THE MAYTAG COMPANY
(Domestic and Export)

WILLIAMS OIL-O-MATIC HEATING CORP.
(Domestic and Export)

BURGESS BATTERY COMPANY
(Domestic and Export)

GENERAL BOX COMPANY

44 WEST ILLINOIS STREET • CHICAGO ILLINOIS

The Case of William Fox

[*Continued from page 49*]

Yet certainly the signing of the Loew papers was one of the great scenes—indeed the greatest scene—in the record of Fox progress. The deal, which was concluded with Nicholas Schenk, as Marcus Loew had died shortly before, gave Mr. Fox a one-third interest (433,000) shares in Loew's, Inc., a chain of some 200 theatres, and a first-rank production company in its subsidiary, Metro-Goldwyn-Mayer. Loew's (including Metro-Goldwyn-Mayer) was doing a larger gross business than Fox Film itself, and for the year ending August 31, 1929, showed a net income of $11,756,900. Confronted by a once-in-a-life-time opportunity to double his business, knowing that three other companies were bidding against him, Mr. Fox was determined to acquire the Loew holding at almost any figure. It is said that he finally paid for it from $120 to $125 a share (a price far above the market) with a total expenditure of well over $50,000,000. But it must be remembered that in 1929 large round figures slipped trippingly from the tongue, that the Loew stock was an excellent investment, and that at the time of its purchase Mr. Fox was generally considered to have done himself a masterly good turn.

He did not, however, stop with his acquisition of 433,000 shares. Eager to establish a controlling interest, he formed a syndicate of family and friends and, acting through several brokers, including Mike Meehan, radio specialist, bought in the open market an additional 227,000 shares. The two blocks together (some 660,000 shares) gave him approximately 50 per cent of outstanding Loew stock and made Loew's, to all practical purpose, a Fox subsidiary. It should be noticed that the Loew stock was bought with the corporation's money but in the name of Mr. Fox's personal syndicate. Such a procedure, however, is hardly unprecedented, especially in one-man shows, and Mr. Fox maintained that if he had bought the extra Loew stock in a corporate name (Theatres) the United States Government would immediately have instituted the antitrust proceedings, which it later began in any event. The 660,000 Loew's shares cost Mr. Fox in the neighborhood of $70,000,000.

This was a large lump for even the Fox system to digest, but Mr. Fox immediately added the Gaumont deal to it. Gaumont British Pictures Corporation, Ltd. was a British company operating about 300 theatres in the British Isles. So many of the larger British theatres were Gaumont and so great was their repute that Gaumont houses constituted the key to distribution in the British Isles. Also they were earning about $3,000,000 a year. So Mr. Fox bought the chain (for $20,000,000) and thus became a cinema emperor with an international sovereignty.

It was a long way now that the young East Sider had traveled. He controlled some 1,500 theatres and two of the greatest picture producing companies. For Fox Film and for Metro-Goldwyn-Mayer worked such stars as Marion Davies, Greta Garbo, John Gilbert, Ramon Novarro, John McCormack, Lois Moran. In a ballot taken by *Film News Daily* (cinema trade paper) Fox and Metro-Goldwyn-Mayer pictures secured six places among the year's ten best productions. Mr Fox was so big that the United States Government was finally suing him as a monopoly and only Warner Brothers (also being sued) could be called his rivals.

But although the summer of 1929 saw the climax of the Fox career, the autumn of 1929 beheld his catastrophe. Indeed (as in all good dramas) the force of disintegration had begun setting in long before the climax itself was arrived at, and throughout 1929 there were unmistakable portents of certain difficulty and possible disaster. In the Loew and the Gaumont purchases Mr. Fox had ventured far beyond the limits of sound financing, and when the great "bull" market of 1929 exploded in a series of reverberations throughout October and November, the Fox companies were first and most prominent among the crash victims.

For when he had been investing some $90,000,000 in Loew's and in Gaumont, Mr. Fox had been obviously in no position to finance out of earnings. He first resorted to short term notes and, as his credit was considered excellent, New York and London banks were soon well supplied with Fox paper. When bank loans no longer sufficed, he turned first to his banking house and then to his talking-picture associate, and in the spring of 1929 borrowed from Mr. Stuart and Mr. Otterson the money which was later to disrupt their friendship. Without putting up any collateral, he got from Mr. Stuart a $10,000,000 loan and from Mr. Otterson a $15,000,000 loan and with the proceeds of the two loans closed the Loew deal for the 433,000 shares already mentioned. The question of why he was able to get so much money without security merges in the larger question of why he was permitted to postpone the permanent financing of his companies until the market collapse made such postponement absolute. If ever companies needed to raise money by issuing new stock, those companies were Fox Film and Fox Theatres, and if there was ever a time when new stock was most readily issued and most greedily absorbed, that time was the pre-panic period of 1929. Looking back upon the spring and summer of 1929, Mr. Fox can see (at least in his mind's eye) a strange and sinister delay on the part of Mr. Stuart; Mr. Stuart can see an irritating and irresponsible delay on the part of Mr. Fox; and the unprejudiced observer, unable to reconcile conflicting stories, can only see that for some reason the stitch that would have saved nine was never taken and the barn door that would have preserved the horse was never locked.

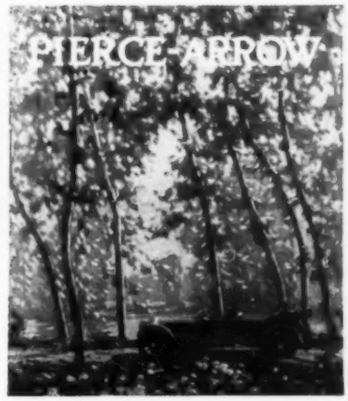
It is true, however, that Fox financing was hindered by circumstances not under the control either of Mr. Fox or of Mr. Stuart (Mr. Otterson, of course, had no immediate responsibility for seeing that Mr. Fox was properly financed, although he apparently made his loan with the understanding that permanent Fox financing would shortly follow). Both Mr. Fox and Mr. Stuart contemplated a consolidation of Fox holdings prior to the grand stock issue that would retire the $90,000,000 total of short term indebtednesses, and both thought (very correctly) that the Government might object to any Fox-Loew merger. Thus a good deal of valuable time was wasted early in 1929 in unsuccessful attempts to feel out the Attorney-General's department and see if the consolidation would be permitted.

Then, in July of 1929, Mr. Fox, being driven to a Long Island golf course to keep his first golfing engagement with Adolph Zukor, head of Paramount, crossed the path of an inexperienced woman driver who ran into his machine, killed his chauffeur, and put Mr. Fox in a hospital. Here was an entirely unpredictable and terribly unfortunate mishap which rounds out Mr. Fox's interpretation of why his companies were allowed to remain in their temporarily financed state. For (as Mr. Fox tells the story) Mr. Stuart and Mr. Otterson were thoroughly acquainted with every step in his expansion, had urged the additional Loew purchase and the Gaumont purchase, had encouraged him to proceed in the expectation of stock soon to be issued, but had produced no financing plan up to the time of the motor accident, from which Mr. Fox recovered only on the very eve of the market break.

Here, however, the opposing version is so different as to necessitate a separate rebuttal paragraph. Mr. Stuart (and Mr. Otterson) say that their intimate knowledge of Mr. Fox's proceedings ended with the first Loew purchase. They say that he bought the second Loew block without their knowledge and the Gaumont theatres without their approval, and that only after the collapse of the market did they discover the complete extent of his indebtedness. Admitting the unfortunate delay resulting from the auto accident, they do not think that Mr. Fox was as completely disabled for as long a period as he maintains, claiming that before the break in the market they had interested a banking syndicate in Fox financing, but that this syndicate had been discouraged by Mr. Fox's refusal to permit examination of his books. As evidence that Mr. Fox was able and active as early as September, they point to the fact that during this month a ridiculous, blatant, and typically unsophisticated effort was made to sell Fox stocks to Fox theatre patrons via the medium of Movietone sales talks.

It might be thought that even the first Loew transaction, involving well over $50,000,000, would have been enough to convince Mr. Stuart that an immediate financing arrangement was unqualifiedly essential. But relations between Mr. Fox and Mr. Stuart, especially during the early 1929 period, were marked by unusual demands on the one hand and unusual concessions on the other. Mr. Fox habitually needed

Many Spring seasons and many Pierce-Arrows have passed between the two portraits by Chichester on this page . . but the season brings back the same fresh beauty to the scene each year, and the car continues to be America's finest motor car.



Pride of Craftsmanship

Builds America's Finest Motor Car

A LITTLE less than two years ago, a group of earnest men took over the management of Pierce-Arrow. The task was approached with the confidence of long experience—but also with a great reverence for a fine name, a distinguished achievement.

What makes Pierce-Arrow fine is something more than engineering genius, more than excellent materials, more even than its own high ideals. It is the effort of men whose pride is in the work of their hands.

Today, in the great Pierce-Arrow plant, are builders of automobiles who work to standards that their fathers followed—standards of fineness and precision that are regrettably rare in this machine age.

And if that sounds like foolish idealism, Pierce-Arrow is proud of the distinction—and of the approval of men who work to a tradition that forever bars the unworthy.

It isn't a problem in such circumstances to build America's finest motor car. It would be difficult to do otherwise—and, in the presence of its builders, to call it Pierce-Arrow.

THREE NEW GROUPS
132 to 144-inch Wheelbases
$2695 to $6250 at Buffalo
Custom-built Models up to $10,000

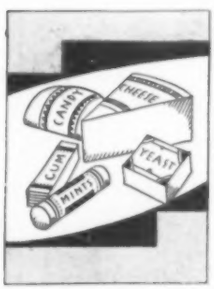
PIERCE-ARROW

Many Things to Many Men

ASKED the question, "What is Aluminum used for?" . . . different men give widely varying answers.

Everybody is familiar with aluminum cooking utensils. But few realize the strides which have been made during recent years in the art of producing aluminum alloys. Few realize the very many places where aluminum and its alloys are playing vital roles in industry today. To most men, the versatility of this light, strong metal is a surprise.

Manufacturers of both street and railroad cars, buses and commercial trucks use certain strong aluminum alloys rolled into I-beams, channels, and other structural shapes. They use large plates of these light, strong alloys which are riveted to the above aluminum structural forms, with the result that cars, buses and trucks can be built having greatly reduced dead-load and correspondingly increased pay-load, securing both of these advantages without loss of strength or safety.



Rolled in a different manner, sheets of pure aluminum are reduced to foil—some of it so thin that it would take ten sheets to equal the thickness of the paper on which this is printed.

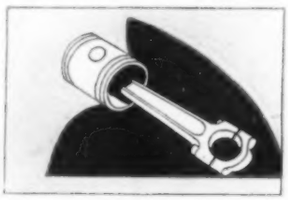
As foil, aluminum is used to seal in the flavor and goodness of chocolates, cheese, yeast, tea, cigarettes, and cigars.

And as foil, but of greater thickness, aluminum protects oil tanks, pipe lines, and tank cars against evaporation losses and corrosion.

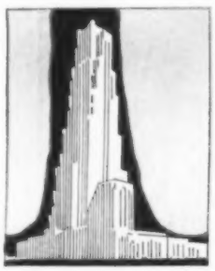
The automobile manufacturer demands that aluminum alloys be cast into pistons and forged into connecting rods. In this form, because they conduct heat 5 times faster than iron or steel, yet weigh less than half as much, they make possible quicker pick-up and higher top speeds.

In much the same manner, aluminum and its alloys have made possible the present-day speedy out-board motor, have cut down inertia in hundreds of places where mass is set in motion, have substituted pay-load for dead-load.

The age we live in demands that we make every pound a useful pound, save handling costs, save freight, save the expenditure of non-



productive energy everywhere—on everything. Lighter machines, provided the strength is there, are cheaper to operate. Light-weight products can be handled more easily and quickly—and at lower cost.



But light weight and strength are only two advantages of aluminum. It also resists corrosion. It will not rust.

Many men in many forms of business want aluminum for this reason.

Architects turn to this bright metal for decorative purposes. Cornices, spandrels, grilles, window frames, entrance doors—these and many other parts of buildings are made of aluminum. Because it does not rust, it will not stain or streak the sides of light-colored buildings.

Several years ago, it was discovered that pure aluminum could be ground into a fine powder. In this form the architect, builder and painter specify it for use as the pigment portion of aluminum paint.

The tiny flakes of aluminum powder in this paint overlap, forming a coat of metal protection. Resisting corrosion, this coating prevents the formation of rust on metal. Because it checks moisture penetration, it is used as a priming coat on houses, and other wooden buildings.

Few people realize that the caps on jars and glass-packed foods, on medicines and pharmaceuticals of many kinds, are made of aluminum. Usually these aluminum caps and seals are colored and bear printed trade marks or designs.

Perhaps more interesting still, pure, soft aluminum is pressed into collapsible tubes for tooth paste, shaving cream and numerous other pharmaceutical and proprietary products.

Here again, as in the case of caps and seals, it is the purity of aluminum as well as its lightness and strength that dictates its choice.

In the home, aluminum has always held its place as the shining metal of the kitchen, and has long been accepted as the best lining for electric ovens. But today, it has stepped out into other rooms as well. To radio, vacuum cleaner, refrigerator, washing machine, ironer, percolator, waffle mold, it brings one advantage or another.

Outside the house, it appears as shingles, flashing, down spouts and gutters; as casement windows and window screen frames.

Forty years ago, aluminum was a semi-precious metal, selling for approximately $25 a pound—today it sells for less than 25c a pound.

This great price reduction, and the constantly growing uses of the metal, are due to two things. First, the discovery by Charles Martin Hall of the process which made aluminum possible on a commercial scale. And second, the research and development work which has been carried on by Aluminum Company of America, resulting in the present wide-spread and growing use of aluminum.

Because this Company is the sole producer of aluminum in this country, it has always striven to lower prices in order that the advantages of aluminum might be made available to more and more manufacturers, and through them to more people.

In order to establish the identity of its own brand and to build good-will around its name, Aluminum Company of America has created a trade name. That name is made up of three syllables AL CO A, standing for the beginning letters of the principal words of its name: AL uminum CO mpany *of* A merica. ALCOA ALUMINUM is the world's highest standard.

If you think that ALCOA Aluminum, or any of its strong alloys might make your product easier to manufacture, or sell, we will gladly discuss the question with you. Write to ALUMINUM COMPANY *of* AMERICA; 2402 Oliver Bldg., PITTSBURGH, PENNSYLVANIA.

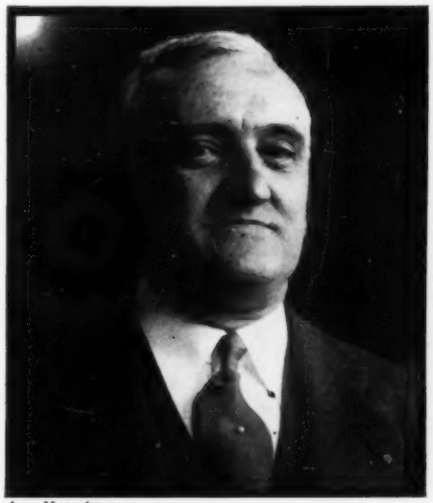
U. & U.
SAMUEL UNTERMYER
HE LOST A GOOD FIGHT

Keystone
WILLIAM FOX
HE MADE A SEPARATE PEACE

U. & U.
CLARENCE DILLON
HE NEARLY SAVED ALL

Acme Newspictures
RICHARD DWIGHT
HE SPOKE FOR TWO

WINFIELD SHEEHAN
HE PICKED THE WINNER



Acme Newspictures
HARRY STUART

JOHN OTTERSON
THEY FORECLOSED THE MORTGAGE

large sums of money at very short notice, and, counting the $10,000,000 already mentioned, Halsey, Stuart & Co. lent him, on unsecured short term notes, without commission, amounts totaling $15,750,000. Mr. Fox was undoubtedly a valuable client, and Mr. Stuart no doubt was looking forward to the large commission that would result from the grand financing later to be executed, but the continued postponement of this financing remains difficult to understand.

But postponed it was, and in October of 1929 the market broke, and the postponement became absolute. Down went securities, and down with them went Mr. Fox. His short term notes were coming due in squadrons. The Loew shares bought by the family syndicate had slumped in the general decline, and brokers were demanding millions more of margin. Mr. Fox needed money so badly that he sold (at what must have been a terrible wrench) his First National holdings to his great Warner Brothers rival, raising by this sacrifice some $10,000,000. Even then, he was about $65,000,000 behind. It was during this period that Mr. Sheehan,

ESTABLISHED 1818.

Brooks Brothers,
CLOTHING,
Gentlemen's Furnishing Goods,
MADISON AVENUE COR. FORTY-FOURTH STREET
NEW YORK

© BROOKS BROTHERS

1818 AND TO-DAY

Spring Clothes for
Sport
and General
Country
Wear

Send for "A Wardrobe for
GOLF"

BRANCH STORES
BOSTON
NEWBURY CORNER OF BERKELEY STREET
NEWPORT PALM BEACH

over in Europe, heard the rumors that were soon to bring him home so hurriedly. Finally, toward the end of November, Mr. Fox called to his assistance Mr. Stuart and Mr. Otterson. And the upshot of their intervention was the agreement which Mr. Sheehan arrived just in time to find Mr. Fox so pleased at having made.

It was certainly a one-sided agreement, and how Mr. Fox ever congratulated himself upon it is one of the many mysteries of the case. For when he had written "William Fox" on the line reserved for his signature, he had signed over the control of his company by agreeing to deposit with three Trustees (Mr. Stuart, Mr. Otterson, Mr. Fox) his 50,101 shares of Film Class B voting stock and his 100,000 shares of Theatres Class B voting stock. The Trustees were authorized to receive the resignations of Film and Theatres directors, and even to change the duties of the president (Mr. Fox) by removing financial affairs from his jurisdiction. The Trustees in turn agreed to see what they could do toward helping the companies out of their immediate predicament and also toward arranging a permanent financing plan. Provisions in connection with this proposed plan stipulated that the Trustees might, if necessary, eliminate the exclusive voting power of the Class B stocks and might also continue to hold the deposited stock for a five-year period. Acquiescence of Mr. Fox to these very sweeping provisions can be explained only by remembering that he was in a most embarrassing position and by his apparent assumption that he and his fellow Trustees would invariably agree on all matters. Seemingly he imagined that his abdication would not interfere with his reign.

At any rate, on the same day that the agreement was signed, he deposited his voting stock with the Bankers Trust Co., and in a few days the Trustees had succeeded in persuading his creditors to wait for their money and in raising enough cash to cover the margin on the syndicated Loew stock.

On December ninth (the agreement had been signed on December third) Mr. Fox went home, ill, and returned on the fourteenth completely antagonistic to his fellow Trustees and flatly repudiating his agreement with them. He claimed that they themselves had broken the terms of the document, although (as will be seen below) on this point he had no very convincing arguments, since the Trustee provisions had been so sweeping as to cover every conceivable conduct. The Trustees had, however, shown that they did not consider themselves bound to proceed in accordance with the wishes of Mr. Fox. They had, for example, requested the resignation of Mr. Jack Leo, Film director and brother-in-law of Mr. Fox. The terms of the agreement unquestionably permitted this request (although, as a peace gesture, Mr. Stuart and Mr. Otterson later withdrew it), but it was something of which Mr. Fox did not approve. And it required only one difference of opinion to make Mr. Fox tardily but vividly conscious of his minority position on the Trustee board. He therefore wrote to the Bankers Trust, asked to have his shares returned (they were not), and for some weeks maintained that he had been victimized by Wall Street, that every financial man's hand was raised against him, and that the telephone company and the bankers were trying to rob him of his great enterprise.

To add to his difficulties, Mr. Sheehan, apparently shocked at his reversal of opinion, went over to the Stuart-Otterson side of the argument and took with him a group of Film operating executives. By this time the controversy had become public, and minority stockholders began instituting receivership suits while various creditors were securing judgments. Meanwhile Mr. Stuart and Mr. Otterson clung to their strategic position as the majority of the Trustee board (a position made stronger by the fact that they were also the largest Fox creditors), and the difficult position of Mr. Fox became daily more hazardous. It looked very much as if the cinema Napoleon was well on his way to Elba.

. . .

In January of the present year, however, the entire situation was radically altered by a new and (from Mr. Fox's standpoint) a saving factor. That factor was money. For, after shopping through the financial district (hostile as it had appeared), Mr. Fox discovered a new banking connection and in it a new source of funds. Called, for the sake of brevity, the Blair Syndicate, the new Fox bankers included Bancamerica-Blair; Dillon, Read; and Lehman Brothers. Here was certainly potent support. Bancamerica-Blair enlisted Elisha Walker and the resources of the Blair and Giannini interests. Dillon, Read added Clarence Dillon, who once (in connection with the Dodge Brothers purchase) wrote a check

"The BANKER scrutinizes Advertising Policies and Results..."

says ARTHUR W. LOASBY

formerly Chairman of the Board of the Equitable Trust Company of New York

ARTHUR W. LOASBY

"... with a keener eye and a greater understanding. A few years ago he might have been skeptical. Today he looks at advertising appropriations as he looks at fuel bills and labor costs"

MR. LOASBY makes a penetrating comment on the new conception of industry when he puts advertising in the same category with production.

He is one of the leaders who realize that the factory is no longer a problem complete in itself.

The manufacturer's responsibility, according to the modern view, is not complete until the product has reached the hands of the ultimate consumer.

Much has been done to perfect the processes by which goods are fabricated, but this very perfection has created such a quantity of goods, and in such diversity, that the distributing system has been called upon to carry an increasing burden.

Alert business men are seeking to lighten this burden.

They demand the same efficient handling of products between factory and consumer as is found within the factory itself. To straight-line production they would add straight-line distribution. The two processes must be integrated.

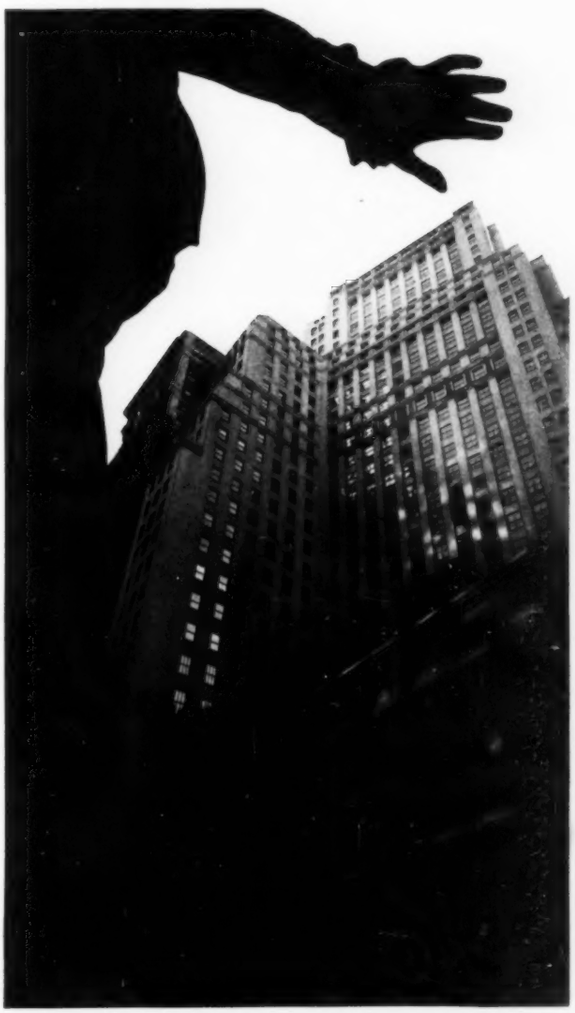
Such integration can be achieved only when there is an active demand in the ultimate market. The study of this demand and the economical maintenance of it against the encroachments of competition are the contributions of good advertising service to this increasingly important phase of industrial activity.

Working with modern business executives, the J. Walter Thompson Company has for many years aided in the solution of the complex problems of more efficient distribution.

Through extensive surveys and wide merchandising experience, it has made the advertising prepared for its clients an essential part of the economic process.

Two interesting folders, entitled "Selling at Home" and "Selling Abroad," have been prepared to show the scope of the service of the J. Walter Thompson Company.

These folders will be sent to executives interested. Write to the New York Office and copies will be mailed promptly.



Giant building of the Equitable Trust Company, photographed from the base of the George Washington statue on the steps of the Sub-Treasury Building in New York. These great structures play their part in changing markets. There are over three and one-half million clerical workers in this country, most of them concentrated within urban areas. Market strategy developed by the J. Walter Thompson Company proves its value in the cultivation of such valuable markets.

The suburb and the standardized home present another phase of the modern problem of distribution. Study of their requirements and their place in the market as a whole has enabled the J. Walter Thompson Company to prepare advertising which has earned a place as an essential and reliable factor in the distribution of commodities.

J. Walter Thompson Company

New York • Graybar Building • 420 Lexington Avenue

CHICAGO, BOSTON, CINCINNATI, SAN FRANCISCO • MONTREAL, CANADA • LONDON, PARIS, MADRID, BERLIN, STOCKHOLM, COPENHAGEN, ANTWERP, WARSAW • ALEXANDRIA, EGYPT; PORT ELIZABETH, SOUTH AFRICA • BUENOS AIRES, ARGENTINA; SAO PAULO, BRAZIL • BOMBAY, INDIA • SYDNEY, AUSTRALIA.

"THOROUGHLY ENJOYED TRIP... SATISFIED WITH EVERYTHING"...*

THE American executive is a keen judge of values. So, when he comes across with a blanket endorsement like the above, it can be imagined that the trip in question must have been A-No.-1 in quality.

We do everything in our power to make these executive trips to Europe satisfactory. Quiet rooms are available for conference; trained stenographers are on hand to take dictation; the ship's radio service keeps business men in touch with market conditions, and with their associates at home.

I. M. M. Lines offer several sailings each week to principal British and north European ports, and Friday and Saturday sailings on the speedier ships will get executives to Europe in time to attend important meetings held in London and Paris the following weekend.

Sail on the *Majestic*, world's largest ship; the popular *Olympic*. If time is less pressing, sail on the *Homeric*, *Belgenland*, *Minnewaska*, *Minnetonka*, the superb new *M. V. Britannic*, world's largest Cabin ship, or any one of a number of other *White Star*, *Red Star* or *Atlantic Transport* Liners.

** Quoted from an executive's letter to us.*

30 Principal Offices in the United States and Canada. Main Office, No. 1 Broadway, New York City. Authorized Agents everywhere.

IMM

WHITE STAR LINE
RED STAR LINE
ATLANTIC TRANSPORT LINE
International Mercantile Marine Company

for $146,000,000. Lehman Brothers brought in Philip Lehman, whose house last year floated a $100,000,000 investment trust. Working day and night on the Fox debts and their refunding, putting fifty accountants from Price, Waterhouse & Co. on the Fox books, the Blair Syndicate speedily produced a plan whereby, through the issuance of debentures and additional stock the Fox companies could raise $65,000,000 (minus banking commissions) and pay their debts. For the moment it seemed that Mr. Fox had only to appear before Federal Judge Frank Coleman (hearing the receivership suits), explain that he would now be well supplied with money to pay all his creditors (including Mr. Stuart and Mr. Otterson), and, having secured the dismissal of the receivership actions, resume control of his companies. It looked like one of those favorite cinema situations in which the soldiers arrive just in time to save the settlers from the Indians.

But the salvation proved not so simple. In stepped Mr. Stuart and Mr. Otterson, brandishing the December third agreement, pointing out that no new financing plan could be adopted without the Trustees' consent and that the proxy for the voting stock was still at the Trustees' disposal. Halsey, Stuart & Co. also prepared an alternative financing plan and from this point the emphasis in the Fox case shifted from the question of how Mr. Fox was going to pay his creditors to the question of who was going to do his financing and to direct his companies. And as the accent changed from points of finance to points of law, the situation developed into one of the most bitter and tangled litigations in corporate history.

With lawyers beginning to take so prominent a part in Fox affairs, it is advisable to interrupt the narrative progress with a roll call of the large and varied assortment of attorneys involved in the more litigated aspects of the case. There were, broadly speaking, three groups of principals, headed respectively by Mr. Fox, by Messrs. Stuart and Otterson, and by various minority stockholders in whose names receivership and other suits were advanced. Legal representatives of these groups arranged themselves as follows:

Field marshal of the Fox forces was Samuel Untermyer. As counsel for the Pujo Committee investigating the so-called "Money Trust" in 1913, Mr. Untermyer is said to have been the only lawyer whoever cross-examined J. P. Morgan and George F. Baker. Mr. Untermyer is such a good trial lawyer that other lawyers have a tendency to question his fundamental grasp of law, but he unquestionably ranks very high among court-room pleaders and previous to his Fox connection had successfully argued the case for a five cent fare on New York subways. Personal attorney for Mr. Fox has been Benjamin Reass (who once secured a divorce for Mr. Fox's daughter), and attorney for Fox Film has been tall, thin, white-haired Robert O. Levys, Republican political leader, who was counsel for Mrs. Florence Knapp, New York State census-taker convicted of misappropriating public funds. Not connected with Mr. Fox, but active in the more recent proceedings, has been the firm of Cravath, De Gersdorff, Swaine & Wood, representing the Blair Syndicate. Most active partner in this firm has been Robert T. Swaine, a prize scholar (for three years head of his Harvard Law School class) who became eminently successful and who, in his early forties, is considered one of the most brilliant of Manhattan's corporate-legal minds.

Mr. Stuart and Mr. Otterson, in their capacity as Fox Trustees, have been represented by Hughes, Schurman & Dwight, a firm whose senior partner is of course Charles Evans Hughes, now Chief Justice of the United States Supreme Court. It was Mr. Fox who, prior to the Trustee agreement, first employed the Hughes firm, and as his own counsel. When the agreement was signed, Mr. Fox suggested that Hughes, Schurman & Dwight represent the Trustees, apparently with the idea that he was thereby securing Mr. Hughes to watch over his interests. Unfortunately, however, Mr. Hughes' connection with the case terminated with his appointment to his present position. Furthermore, when Mr. Fox fell out with his fellow Trustees, Hughes, Schurman & Dwight remained with them, so that Mr. Fox not only lost his great legal friend, but had also got into a position in which the Hughes firm became his chief legal opponents. The active Hughes, Schurman & Dwight partner has been Mr. Richard E. Dwight, large, good-looking Princetonian (former president of the Princeton Club), much irritated by some of Mr. Fox's more personal reflections upon his clients' conduct. Meanwhile Halsey, Stuart & Co. has been represented by Morton C. Bogue of Beekman, Bogue & Clark, and Electrical Research Products by George C. Pratt, general coun-

A PUBLIC UTILITY COMPANY WELCOMES THE JONESES . . . .

WHEN the Joneses moved to Longville they didn't know a soul. Everything was strange. Different milk. Different water. Different-colored trolley cars, different stores, different neighbors. • But three days after the meter was connected they got a letter from the Longville Electric Company that made them feel at home. It was an honest letter that said, "We're glad to have you with us," and meant it. It came straight from the Office of the President. It was personally signed and typewritten on a paper that left no room for doubt—a strong, crisp sheet of Coupon Bond. • The Joneses will always have a warm spot in their hearts for the company that sells them light. • In this day, the progressive public utility corporation values the good-will of its patrons above every other asset. And the executive letter, mailed at intervals not only to new customers but to old ones, and to the company's stockholders, is proving an effective instrument in building and holding their staunch support. • As in scores of other businesses, the paper most often chosen as a background for these important messages is Coupon Bond—dignified, authentic—a paper of quality beyond dispute, made 100% of new, white rags. • We shall be glad to send you, on request, our portfolio, "The Modern Trend in Letterheads," and a new booklet, "The Executive Letter." (In writing for them please use your business stationery.) • *Coupon Bond is but one paper in the Eagle-A Line of Bonds, Ledgers, Writings, Index Bristols, Offsets, Covers, Book Papers, Mimeograph and Manifold Papers—the* right *paper for every business purpose.*

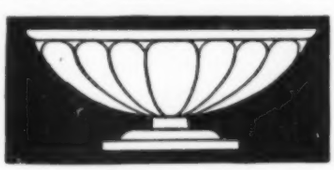
AMERICAN WRITING PAPER COMPANY, INCORPORATED
HOLYOKE, MASSACHUSETTS

EAGLE·A·PAPERS

The advantage of a business letter paper of character is that it speaks a good word for your business in quarters you never heard of and to people you do not know.

Crane's Bond is a 100% new white rag paper. Its crisp, distinctive sturdiness builds sound prestige and good will for you with every letter you send out. In view of this, doesn't a very slight extra cost seem pretty unimportant?

CRANE'S
BOND
for letterheads and envelopes
CRANE & CO., INC. · DALTON, MASSACHUSETTS



sel, and the firm of Green & Hurd. A less corporate addition to the anti-Fox legal staff has been Mr. Nathan Burkan, counsel for Mr. Sheehan. Mr. Burkan has been noted for his theatrical practice, and on the walls of his office are many autographed photographs from many grateful actresses. During the Fox litigation Mr. Burkan was also busy in criminal court, being counsel for Mae West in the *Pleasure Man* case (the first trial of which resulted in a hung jury).

Prominent among the stockholders' lawyers have been Mr. Martin Conboy and Mr. Arthur Berenson, trial counsel of the fiery type. Mr. Berenson has become especially well known as a frequent representative of minority stockholders in many corporate litigations, and in a suit against the New Haven railroad is said to have extracted a fee of $800,000. He is an eloquent exponent of the rights of the small stockholders and is thoroughly disliked in financial circles.

With so many lawyers (and the list just given includes only the more active) representing so many interests, progress in the Fox litigation was extremely slow. Outstanding developments were the failure of Mr. Fox to get back his voting stock, and the success of Mr. Fox in getting his stockholders to approve the Blair financing plan.

. . .

In arguing (before Judge Aaron Levy of the New York State Supreme Court) for the release of his Class B shares from the Trusteeship, Mr. Fox alleged general trickery and fraud on the part of his Trustee associates, but was not convincing in his specific allegations of how they had violated their agreement. Indeed, he spoke chiefly of certain verbal agreements, admittedly not incorporated in the signed document, but allegedly side understandings between the principals. He maintained that one such side agreement exempted Mr. Leo from the provision that the Trustees could request the resignation of any director, and that another stipulated that Mr. Otterson should withdraw from the Trusteeship as soon as his $15,000,000 was paid him. Mr. Fox also claimed that he had signed the agreement hurriedly and without fully understanding it. Mr. Stuart and Mr. Otterson denied the existence of any side agreements and rested their case on the main document, of which any violation on their part was certainly difficult to show. So Judge Levy returned an opinion against Mr. Fox, calling his repudiation of the agreement "flagrant and unwarranted" and adding that "this very Fox chopped down this healthy, thriving tree [i. e., the Fox companies] with his own hatchet."

The Fox attorneys took an appeal from this opinion and also instituted (this time in Federal Court) another suit (based on different grounds), asking the return of the deposited stock. Thereupon the anti-Fox forces maintained that the same case was being started all over again and got Federal Judge Manton to issue a writ of prohibition to keep the case from being heard in the Federal Court. It was the first time in twenty-five years that such a writ had been issued, but Hughes, Schurman & Dwight were angry over the allegations of fraud in the first Fox suit. Thus the Fox forces were unable, for the time being, to make headway in their attack upon the Trustee agreement.

The center of interest in the argument of Fox financing lay in a general meeting of Fox stockholders called (on March fifth) to approve the Blair plan of financing. This was a hectic and prolonged meeting, with Mr. Untermyer disputing amiably with Mr. Conboy, and Mr. Fox disputing bitterly with Mr. Berenson. Mr. Berenson, as an advocate of a receivership, occupied an extremely awkward position, and his remarks were frequently greeted with boos and hisses. At one point Mr. Fox thought it might be necessary to call an ambulance and take Mr. Berenson away, and when Mr. Berenson said that Mr. Fox had better not try to put him in any ambulance, Mr. Fox said that Mr. Berenson would instinctively chase an ambulance as soon as he heard its bell ring. Another dispute arose over the voting of the deposited Class B stock. Mr. Dwight voted it against the Blair plan, acting in the name of the majority Trustees, then asked Mr. Fox if he wished to join them in their ballot. Mr. Fox replied that he had already voted his Class B stock (of course for the Blair plan) and that he could not vote twice, whereupon Mr. Untermyer injected a pleasantry to the effect that perhaps plural voting was common in Mr. Dwight's circle. The disputed stock was finally counted for the Blair plan, Mr. Fox being the *holder of record*, but as it happened Mr. Fox did not need his stock to secure stockholders' approval, as some 96 per cent of all votes cast were for the Blair financing. Main signifi-

For centuries a favorite in history and fable, Richard The Lion Heart typifies the rugged character of Lyon products. Steel served Richard well, just as today it does able duty for modern business crusaders.

Helmet of Richard. Painted by Ludwig Gassner

STEEL—TO BEAR THE HARD ABUSE THAT MODERN BUSINESS PRESSURE DEMANDS

Factories speeded up to meet immediate shipments or to produce new merchandise! Sales urged on to hold their own against competition and quotas! The demand is MORE BUSINESS, MORE SALES, QUICKER TURNOVER! Only those firms whose stocks and supplies are in order to fill needs without lost motion will profit. And those firms, in tune with modern merchandising methods, realize that man power is in its ascendency—able man power backed by *organized* manufacturing facilities. Lyon Steel Equipment possesses the advantages of permanence plus adaptability—space economy plus rugged strength—beauty plus utmost convenience. This organization, dominated by the spirit of serving others, is ready to give its experience to manufacturers who seek economy of space and new markets, to wholesalers who seek new outlets for retailing, to retailers who seek new consumers. A brochure, "Equipment and Man Power," awaits your request. • • • •

LYON

LYON METAL PRODUCTS, INCORPORATED
Converters of Sheet Steel into Practical Conveniences
AURORA, ILLINOIS
Branches, Jobbers and Dealers in All Principal Cities

STORAGE AND DISPLAY EQUIPMENT IN STEEL
STORE FIXTURES · COUNTERS AND SHOW CASES
SHELVING · LOCKERS AND CABINETS
FOLDING TABLES
AND CHAIRS

FRANCE

the moment you cross "the longest gangplank in the world"

A NAME like a star, a name like light . . . brilliance, gayety, sophistication, the elegance of the *ancien régime*, the chic of the moment's mode, the artistry that turns a market-place into a pageant, a bit of silk into a creation, food into something fit for gods, a smile and a shrug into a whole philosophy of life . . . France! Every French Line ship is France herself, complete to the smallest detail, and manned by Breton seamen whose ancestors tamed the Atlantic before Columbus . . . passengers become part of its scintillant background . . . sparkling, vital, dancing its vivid way between the three great world capitals on board the "*Ile de France*," "*Paris*," or "*France*."

French Line Services

• • •

De luxe express:
"Ile de France"
"Paris"-"France"

• • •

Cabin Steamers to England and France:
"Lafayette"
"De Grasse"

• • •

Spanish Cabin Service:
"La Bourdonnais"
"Roussillon"
"Rochambeau"

• • •

Pacific Coast Service
"Oregon"
"Wyoming"
"Wisconsin"
"Washington"
"Winnipeg"

• • •

Gulf Ports Service:
"Cuba"
"Niagara"
"Guadeloupe"
"De la Salle"

• • •

Mediterranean-Moroccan Cruises:
"France"
Four winter cruises

• • •

North African Motor Tours and 46 "Transat" Hotels

Five and a half days to Plymouth, England

From the heart of Manhattan across "the longest gangplank in the world," a waiting express for London, a few hours later the covered pier at Havre, three-hour express to Paris. Cabin liners, the "*Lafayette*," the "*De Grasse*" and the "*Rochambeau*," slightly slower, equally gay, make economy smart.

Dining Salon "France"

French Line

Information from any authorized French Line Agent or write to 19 State Street, New York

cance of the meeting lay in its convincing demonstration that Mr. Fox was supported by an overwhelming majority of his stockholders.

But although Mr. Fox's stockholders favored the Blair plan, Mr. Fox was still plagued by his unfortunate agreement of December third. The annual stockholders' meeting on April fifteenth appeared the probable scene of the next major battle. Unless some way was found to keep Mr. Stuart and Mr. Otterson from voting the deposited stock in their capacity as Trustee majority, it seemed that they might well employ the voting shares to elect new directors, appoint new executives, and install the Halsey, Stuart financing plan. It was true that Mr. Fox's lawyers were now disputing the legality of the Trustee agreement on new grounds. They claimed that the only consideration given Mr. Fox in return for his stock was a promise to help him, and that a pledge was not a consideration on which an irrevocable proxy could be based. In spite of this loophole, however, Mr. Fox apparently thought that his position was untenable; at any rate he cut short further litigation by selling out to General Theatres Equipment, Inc. and retiring from the field. Thus his great enterprise did finally slip out of his hands.

With the transfer of the Fox voting stock from Mr. Fox to General Theatres Equipment, Inc., Mr. Fox resigned the presidency of his companies and was succeeded by Mr. Harley L. Clarke, president of General Theatres Equipment, president also of Utilities Power & Light Corporation, which operates many electric and gas utilities in the Middle West. It was Utilities Power & Light which last year invaded the British Utility field by securing control of the Greater London and Counties Trust, Ltd., which supplies light and power to many English cities, including Birmingham and London. General Theatres Equipment was formed last July, in a merger of several equipment companies, and is best known in connection with its development of Grandeur films—the oversized, "three-dimensional" pictures recently introduced at Mr. Fox's Roxy Theatre. In addition to his activities in connection with public utilities and cinema projection, Mr. Clarke believes that "familiarity with the works of Shakespeare is the basis of a fair education," and is the backer of the Chicago Civic Shakespeare Society through which Fritz Leiber presents a Shakespeare repertoire. Mr. Clarke issued a statement announcing that there would be comparatively few changes in the Fox companies personnel; Mr. Sheehan said that the war was over and everyone was back in the amusement business again. It was thought that Mr. Fox would take a vacation in Europe or in South America.

Wine

[*Continued from page 54*]

warned that the men would get drunk, brawl, and smash things, the House of Calvet in its ancient wisdom gave the soldiers a twice daily ration of light beverage wine. M. René Calvet, who in his father's absence gave the hospitable order as a matter of course, says that there was no brawling or smashing, though he recalls an American general later conducted through the Calvet *caves* who showed magnificent form after putting twenty-five different kinds of wine, some green and much old, under his Sam Brown.

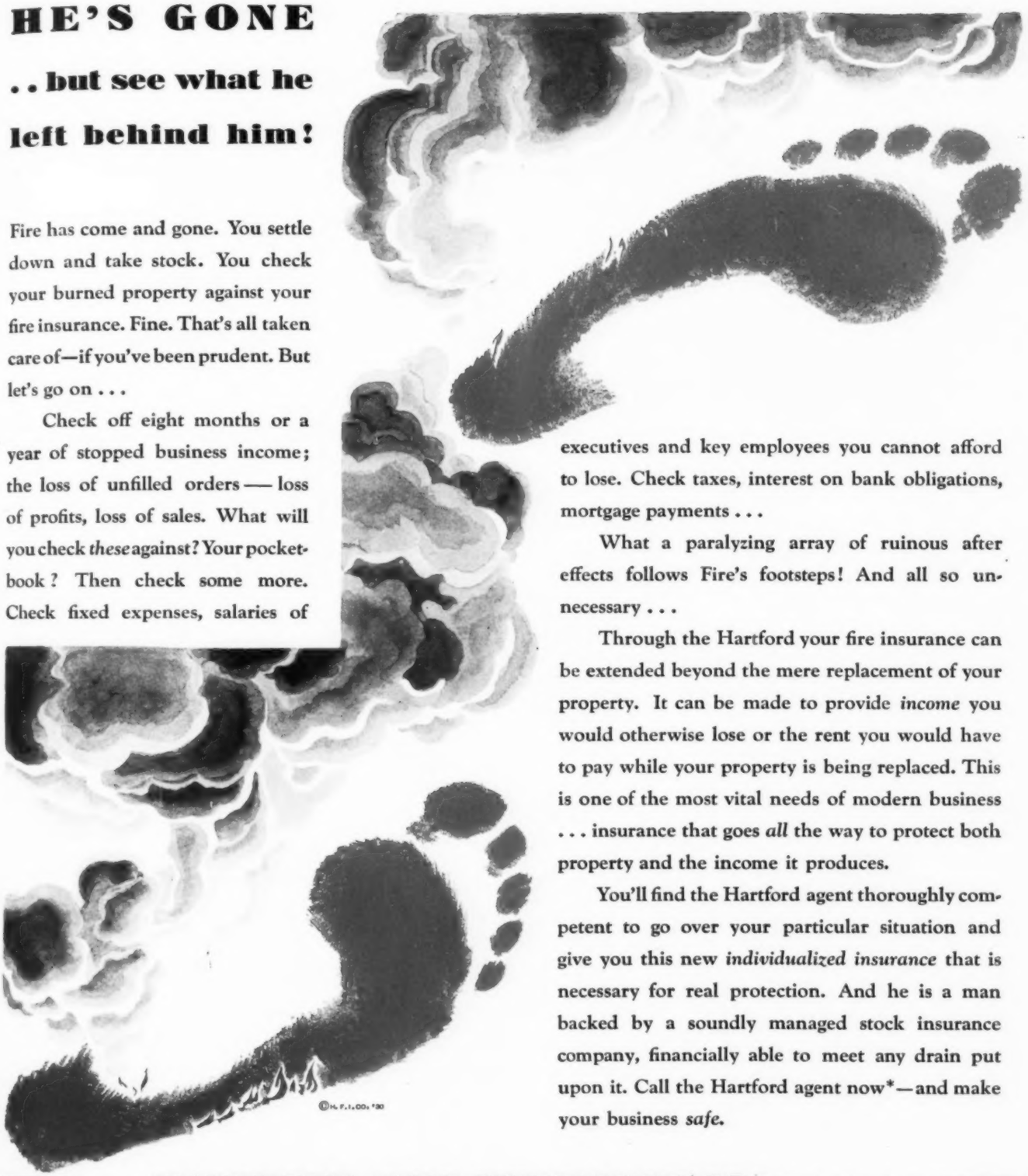
"Funny enough!" says René, who speaks almost perfect English. "Funny enough the peasants do not care so much about the wine once it is bottled. Before that, yes. They love the vines. They will work and sing all night over the juice at vintage time, as it hisses and ferments. When it is first in cask, they like to watch and tend and drink some of it, but pretty soon—finished! The vines they love are beginning to bear again, and their interest turns to the new crop. Funny enough!"

It is at this point that the great shippers feel their mission begins. They can buy most wines by the hogshead, and they like to buy them so, nursing them in their own cellars, blending some with others, and finally bringing up in bottle, almost as one brings up a child, a wine which they feel is theirs: "Calvet Wine." Quite frankly a Calvet will tell you that he feels much less interest in a Lafite or an Yquem bottled at the château, sealed, stamped, boxed, and practically reduced to merchandise, than he feels in "one of our own wines," though the House of Calvet is the largest shipper of Yquem.

These fine distinctions and fine

HE'S GONE

. . but see what he left behind him!



Fire has come and gone. You settle down and take stock. You check your burned property against your fire insurance. Fine. That's all taken care of—if you've been prudent. But let's go on . . .

Check off eight months or a year of stopped business income; the loss of unfilled orders — loss of profits, loss of sales. What will you check *these* against? Your pocketbook? Then check some more. Check fixed expenses, salaries of executives and key employees you cannot afford to lose. Check taxes, interest on bank obligations, mortgage payments . . .

What a paralyzing array of ruinous after effects follows Fire's footsteps! And all so unnecessary . . .

Through the Hartford your fire insurance can be extended beyond the mere replacement of your property. It can be made to provide *income* you would otherwise lose or the rent you would have to pay while your property is being replaced. This is one of the most vital needs of modern business . . . insurance that goes *all* the way to protect both property and the income it produces.

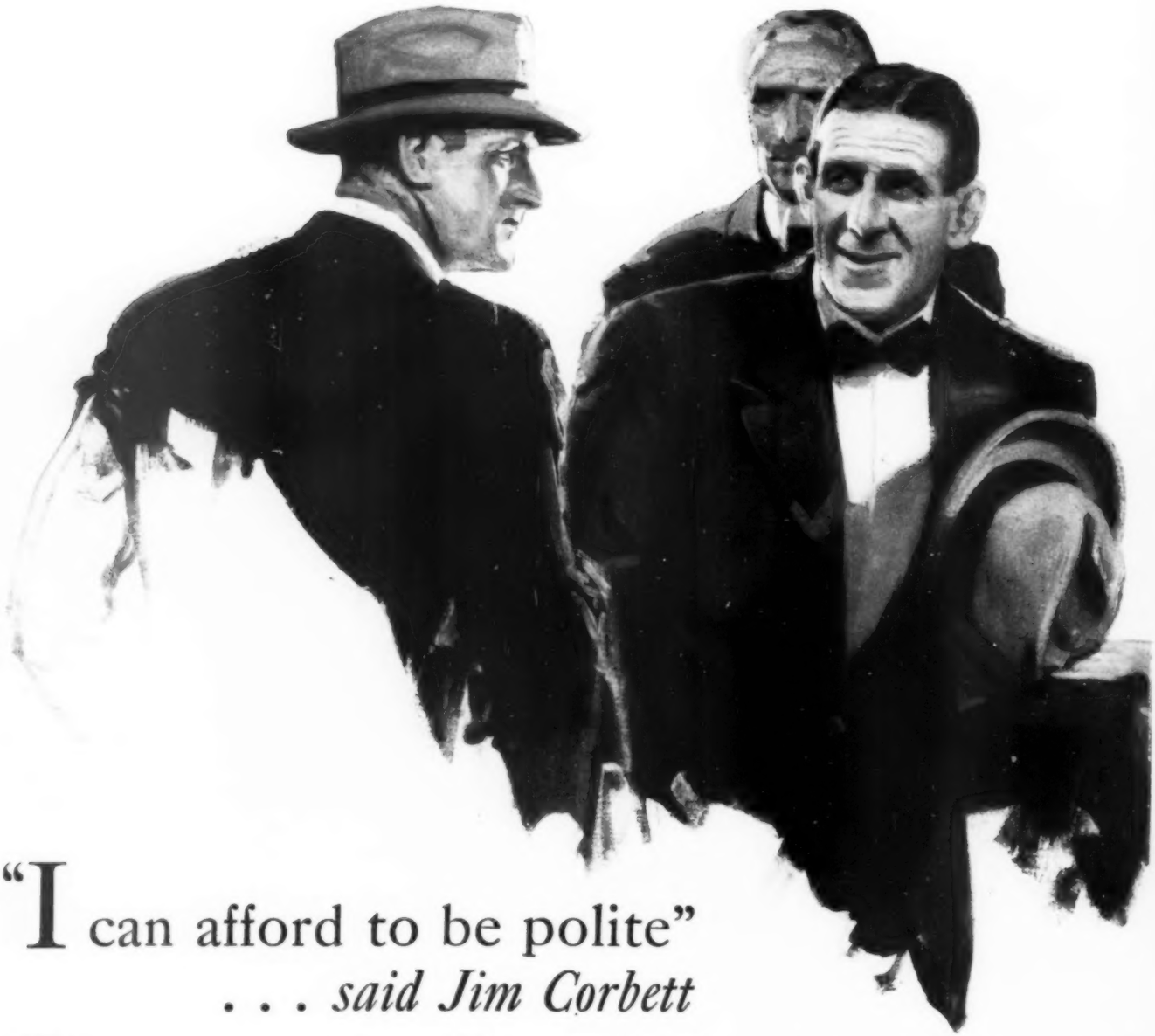
You'll find the Hartford agent thoroughly competent to go over your particular situation and give you this new *individualized insurance* that is necessary for real protection. And he is a man backed by a soundly managed stock insurance company, financially able to meet any drain put upon it. Call the Hartford agent now*—and make your business *safe.*

THE **HARTFORD FIRE INSURANCE CO.**

AND THE **HARTFORD ACCIDENT AND INDEMNITY COMPANY**

WRITE PRACTICALLY EVERY FORM OF INSURANCE EXCEPT LIFE

*If you do not know the name of the Hartford agent look under "Hartford" in your telephone book. If he isn't listed write the Hartford Fire Insurance Co., Hartford, Conn.



"I can afford to be polite" . . . *said Jim Corbett* "I've got the Punch to back it up"

They were passing through the corridors of a downtown club. A well-known manufacturer and his friend, Jim Corbett.

Wham!—*Someone bumped into Corbett, almost knocking the "Ex-King of Fistiana" breathless.*

Corbett bowed with Chesterfieldian grace and smilingly excused the clumsy offender.

"Jim," exclaimed the astounded manufacturer, "you're the politest man I ever knew."

"I can afford to be," was Corbett's good-humored reply, "I've got the punch to back it up."

• • •

That very afternoon, in his offices, the manufacturer overheard a clerk make a surly retort to an important caller. And Jim Corbett's remark came back to him with new and pointed significance.

"I wonder," he thought, "if we have to use rudeness here as a sort of protective shell for our weaknesses. Surely this business is big enough to be able to afford courtesy. *'We've* got the punch to back it up'!"

Quietly, he started an investigation on the manners of his organization. He eavesdropped on every department. He questioned outsiders. He disguised his voice and 'phoned in to his own office, listening hopefully for "the voice with the smile." He dug

into correspondence files to see whether all inquiries were handled with graciousness and care.

But the revelations were far from reassuring. The whole organization seemed to be suffering from sore-thumb or toothache. The air was tense with fretfulness. Nerves were touchy . . . dispositions overwrought.

And it didn't take him long to find out why. The girl at the information desk, for in-

stance, had been working overtime for weeks, helping the bookkeeping department on belated work. The telephone girls were doing odd jobs for other overcrowded departments. The office manager, ordinarily an affable personality, was becoming an irascible driver. Everywhere he found a surly, distraught morale. With both clerks and superiors chafing under the irk of overtime and office confusion.

The investigation pinned the trouble right down to where it belonged—to antiquated, cumbersome and inadequate business methods for handling the day's office routine.

It may seem a far cry from the problem of increasing a corporation's good will to the problem of handling office operations in a smooth, automatic and orderly manner. But the two problems are dovetailed and inseparable.

Good will is dependent on genial and gracious service and contact. But courtesy cannot thrive in a hectic and disordered atmosphere where overstrained nerves and worried minds are the rule.

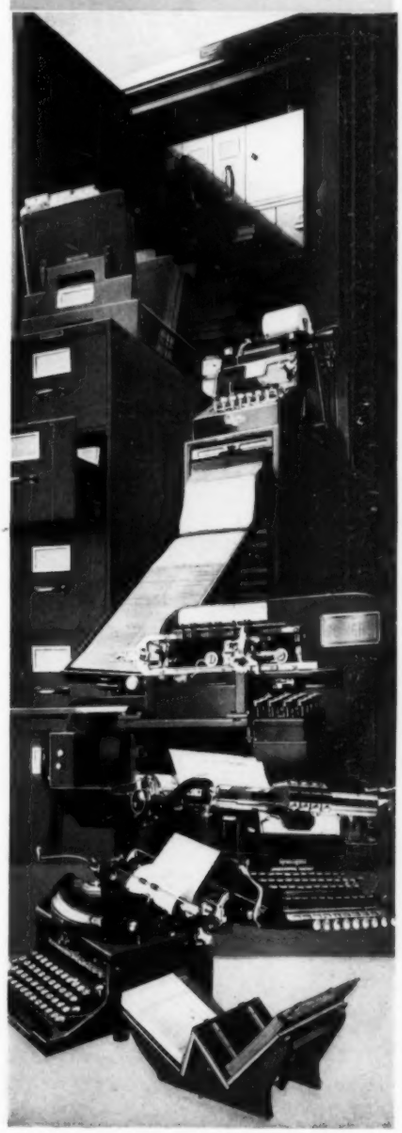
The task of securing modern methods and machinery to take the friction out of office operation, speed up the day's routine and abolish overtime, is today a comparatively simple task.

For no longer need a business man consult a number of sources and listen, in confusion, to the conflicting arguments of various "special pleaders" for different devices. Today there is one headquarters, one central source for the finest of business machines, devices and methods, which he can turn to for a complete and harmonized system of business control.

That headquarters is Remington Rand. With a coast-to-coast network of 4,000 Remington Rand business analysts at the disposal of business men everywhere, it is only necessary to go to your telephone and call the nearest Remington Rand office to have one of these impartial and qualified counsellors of business control in your office tomorrow morning.

Or, if you prefer, write to Remington Rand headquarters direct, stating the particular phase of business operation of most immediate interest to you. That will bring a man with special experience on your particular problem. A conference with Remington Rand on any phase of your office or business problems. It is merely a costless way of making sure you are right or of discovering just where you are wrong, if at all.

THE GREAT EMANCIPATORS



Remington Rand

BUSINESS SERVICE

REMINGTON *Typewriters and Accounting Machines* . . . LIBRARY BUREAU *Filing Systems and Indexing Service* . . . RAND & KARDEX *Visible Records* . . . SAFE-CABINET *Record Protection Devices* . . . INDEX VISIBLE . . . POWERS *Accounting Machines* . . . DALTON *Adding & Bookkeeping Machines* . . . KALAMAZOO & BAKER-VAWTER *Loose Leaf Equipment* . . . *Executive offices, Buffalo, New York. Sales offices in all leading cities.*

Imperishable

Symbol of Enduring Love . . .

An eloquent expression of the love and reverence of the bereaved heart—such is the beautiful and lasting Solid Copper De Luxe Clark Grave Vault.

In beauty and dignity, it is in keeping with the finest of funeral appointments . . . a fitting protection for the costliest casket. The soft velvety mat finish of the solid copper is enriched by a polished etched floral design around the entire top.

But the first thought in choosing the Solid Copper Clark is, of course, its positive and permanent protection . . . on which Clark recognized leadership has been built.

An immutable law of Nature seals it against the entrance of water. No mere man-made seals could possibly give the complete protection from water which the Clark always gives its precious contents.

Made of solid copper, 10 gauge in thickness, with sides and top in one inseparable piece, without welds along the side, and weighing more than 600 pounds, it is indeed a vault for the ages, carrying a guarantee unlimited by time. The Clark Grave Vault Company, Columbus, Ohio. Western office, Kansas City.

CLARK

GRAVE VAULT

This trade-mark is on every genuine Clark Grave Vault. It is a means of identifying the vault instantly. Unless you see this mark, the vault is not a Clark.

Less than Clark complete protection is no protection at all

sentiments of the great wine houses are of course the reverse of an ugly coin. On the other side is the ruthless, conscienceless shipper who doctors, adulterates, and falsifies his wine. To protect the public from such, it is necessary that the House of Calvet should sell the very finest wines as mere package goods. Perhaps a bottle has "gone off" a little, but could easily be restored to perfect health by proper care. Nailed up in the box the wine must take care of itself. You are "protected," but all the same you lose, or you may. Both you and the House of Calvet are paralyzed in the steel grip of Justice, good but blind.

"Ford" wines

It is for this reason that we shall not ignore the "monopoles," wines blended to a standard quality, cared for, and sold under trademark by some house. An example is the Calvet wine trade-marked "Tauzia," *not*, be it noted, "Château Tauzia"; for although, as we have seen, Château Tauzia is the Calvet's own home, it has no vineyards, and neither family honor nor sound French law permits a monopole to be dubbed "château." What is Tauzia? The Calvets can give you anything they choose, produced in any year, blended or straight, under that label. As a matter of fact the current Tauzia is a blend of Sauternes, but if there should be an undue scarcity of these, the experienced business men and blenders of the House will contrive to give you the same taste with another blend.

Naturally the connoisseur is not enthusiastic about such a "Ford" wine. He would rather know that every vintage of Haut-Brion, for example, is different, and these differences are his delight. There is a certain refinement of vanity in knowing that you know enough to know that a certain wine of a certain year is positively bad. But all champagnes are monopoles, and perhaps you are glad that every bottle of Mumm's Cordon Rouge is blended so as to taste practically like every other. If you like "Ford" champagne, you may be glad to find in a dining car or a Jugoslav hotel some "Ford" Sauterne, for certainly in these trying circumstances the package of Yquem is too much of a gamble. The arm of Big Business, the arm of the great shippers, is long, and they will generally contrive to set their monopoles before you in prime condition, fresh from their cellars. Indeed the name of J. Calvet, Louis Eschenauer, or N. Johnson & Fils anywhere upon a bottle is at least as reassuring as Packard, Lincoln, or Cadillac on a radiator.

The town of Cadillac, from which came the Sieur de Cadillac, whose arms General Motors use as their "Tauzia," is shown on our wine map and is famous for nothing whatsoever.

Democratic Burgundy

Claret is red Bordeaux. Sauterne is Sauterne. Chablis is white Burgundy. Burgundy is red Burgundy.

To the stupid and never ending argument about whether Bordeaux wines are better than Burgundies or vice versa, Louis XV gave a *coup de grâce* as final as it was unexpected.

A courtier had banteringly asked His Majesty (and surely no man was ever better able to answer with authority), "Sire, is it possible to love several women at the same time?"

"Without a doubt it is!" answered Louis XV with spirit. "Do we not have at the same time an equal affection for the wines of Bordeaux and Burgundy?"

The winelands of the once Grand Duchy of Burgundy are today the most democratic in France. Literally myriads of small proprietors cultivate minute holdings, some with only a few rows of vines. Whereas the Seigneur of Château d'Yquem has 222 acres in that one estate and owns several more besides, twelve proprietors own among them the sixteen acres which produce Montrachet, commonly called "Château d'Yquem of Burgundy." In 1782, however, the Archbishop of Paris exclaimed *fortissimo* and *ex cathedra:* "O Montrachet! Dear Montrachet! Divine Montrachet! ! ! First and finest of white wines, I salute thee!"

Such is the democracy of Burgundy that in this region the "little fellows" are almost wholly in the hands of Big Business, and here the House of Calvet reigns with as great proportionate supremacy over all rivals as the House of Morgan in New York. Indeed is not Democracy the apotheosis of Business with the biggest possible "B"?

Because there is no aristocratic and official classification of the wines of democratic Burgundy into haughty *crus*, because scarcely any of the châteaux of Burgundy are wine châteaux, and because there is very little estate bottling, the casual fancier of Burgundy is sadly at the mercy of unscrupulous firms which stick gorgeous and deliberately misleading labels on their devious wines.

Buy your Burgundy from an unimpeachable source, and try to

after shaving
after bathing
after exercise

this famous
French formula
for the skin

For tired faces and tired bodies alike . . . *for the tiny nicks left after the razor-blade—the relaxed tissues and open pores after a hot bath —the muscles stiffened by violent or unaccustomed exercise* . . . nothing has ever been perfected quite like Pinaud's Lilac (Lilas de France).

Made from essences still compounded by Pinaud in Paris—as it has been for nearly a hundred years—this delightful toilet water and astringent with its faint fragrances of lilacs, has been the companion of ladies and of gentlemen the world over since 1848.

Its refreshment is instant . . . its fragrance smartly unobtrusive . . . its deodorant and astringent action unfailing. *Pinaud will be delighted to send you a sample bottle for your personal use free, if you will address: Pinaud, Inc., Dept. F, 220 East 21st Street, New York.*

Pinaud
PARIS · NEW YORK

Copyright Pinaud1930

remember no more than that the greatest Burgundies are those from the *Hospices de Beaune* (not simply "Beaune," of which there are dozens). In addition keep in mind the wines which have made glorious these names: Clos Vougeot, Romanée, Richebourg, and Chambertin—Napoleon's favorite. Among the Chablis or white Burgundies the great name to utter with fish is Moutonne and with dessert "divine Montrachet."

When a battalion of French infantry is marching along Route Nationale No. 74 and comes abreast of Clos Vougeot, the commanding officer, by invariable custom, orders his troops to halt and salute the vines with full military honors—a *beau geste* first ordered, according to Stendhal, by one General Bisson, otherwise obscure, but thanks to his happy thought, immortal.

Hock and the Doctor

Since these brief remarks are primarily concerned with the natural wines of France, the hocks or German white wines can receive but passing notice. They are almost the only non-French, natural wines in the lexicon of the connoisseur, and at their best they are superb.

Among the wonderful wines of the Rheingau, the "Cream of Rhine Wines," are those of Schloss Johannisberg, Steinberg (which is operated as a Socialistic community of workers by the Prussian State), and nearby Hochheim, from which all hocks take their name.

From the Liebfrauenstift at Worms comes the true, wildflower-scented Liebfraumilch or "Milk of the Mother of Christ," a delicious wine which deserves the popularity it reached by adopting an audacious name. Finally from the banks of the Moselle comes another exquisite German wine popularized in England with the slogan, "If you drink the Doctor, you will need no doctor!" Many have wondered why this particular Bernkastler is called "Doctor." Merely because the vines belong to a lady hight Frau Wittwe Doktor Hugo Thanisch!

Memorabilia

Since most people cannot remember more than three vintage years, but since anyone after a moment of powerful concentration *can* remember three, fix these in mind forever: 1919 for red Burgundies; 1920 for red Bordeaux; and 1921 for all white wines. Concentrate! You will indeed be richly repaid. We are all extremely lucky that a vintage at once so recent and so available as 1921 is probably the greatest white wine year of all time.

You cannot forget Château d'Yquem 1921. You can scarcely forget the four *Grands Crus* of Bordeaux: Lafite, Latour, Margaux, and Haut-Brion.

The champagnes are all monopoles, "Ford wines," so you have only to remember the trade-mark you like, and to order 1921 when you see it on a wine list, for *all* white wines were better in that pluperfect year!

Remember lastly that before attempting to know wine, you should know corks. When you are paying 500 francs for *une prestigieuse bouteille*, supposed to be a Lafite 1858, and the cork, after extraction, swells up to double its size and has a soft, spongy feel, are you satisfied? You are not!

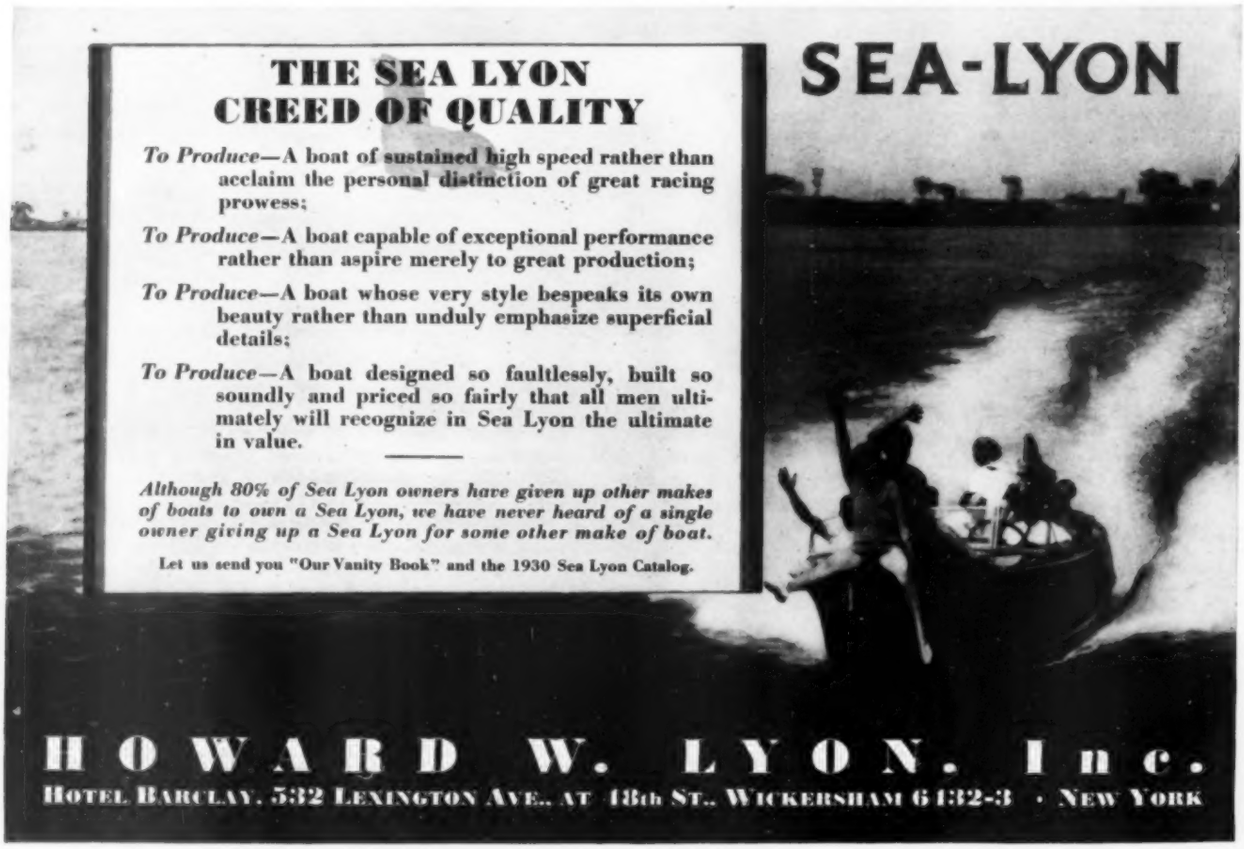
You know that a cork even fifteen years old feels almost as hard as your cane and cannot swell up because long compression has infallibly destroyed its resiliency. You know too that a cork should smell only of wine, that a musty cork means a stale bottle. Lastly you know, of course, that with increasing age the stain of either a white or red wine slowly penetrates the cork, so that a bottle twenty years old or more will have stained the cork for at least half its length.

The nature of wine

Coca-Cola is dead, and so is gin. But wine is alive. "Wine is the God of vegetables, as Man is the God of animals." Like man, wine is susceptible to sicknesses and has the power to cast these off. In scientific terms, the life of a wine begins with the hot youth of fermentation, when its natural grape sugar, $C_6H_{12}O_6$, changes partly into carbon dioxide gas, $2CO_2$, which escapes, and partly into natural alcohol, $2C_2H_6O$. Next comes the long, ripening middle-age, during which wine, like man, progresses arduously toward mellow perfection. This is followed by the slow decline or perhaps (of a wine kept too long) the sudden breakdown into vinegar, which is Death.

Once acquired, a sense of the personality of wine is never lost. Every bottle has distinct personality. In wine there is not only *veritas*, but a mystery as deep as life itself. Let the final, authoritative proof that wine possesses certain human characteristics be supplied by so great and meticulous a British expert as Mr. P. Morton Shand:

"Wine, like man, is imbued with the spirit of filial piety. Each year as the vine, '*le glorieux bois tortu*,' passes anew through the four great crises of her being—rebirth, adolescent


THE SEA LYON
CREED OF QUALITY
To Produce—A boat of sustained high speed rather than acclaim the personal distinction of great racing prowess;
To Produce—A boat capable of exceptional performance rather than aspire merely to great production;
To Produce—A boat whose very style bespeaks its own beauty rather than unduly emphasize superficial details;
To Produce—A boat designed so faultlessly, built so soundly and priced so fairly that all men ultimately will recognize in Sea Lyon the ultimate in value.
Although 80% of Sea Lyon owners have given up other makes of boats to own a Sea Lyon, we have never heard of a single owner giving up a Sea Lyon for some other make of boat.
Let us send you "Our Vanity Book" and the 1930 Sea Lyon Catalog.
SEA-LYON
HOWARD W. LYON, Inc.
Hotel Barclay, 532 Lexington Ave., at 48th St., Wickersham 6-4132-3 · New York

STRENGTHEN YOUR ADVERTISING BUDGET with MULTIGRAPH SAVINGS

How to get more advertising without more appropriation is a question for which Multigraph equipment has an answer.

Run down your list of advertising activities and you find in practically every item an opportunity for Multigraph gains . . . either providing more abundant material at lower cost, or helping to make other material more effective.

In the Model 66 Addressing Multigraph, for instance (illustrated at right), is a producer of economical, vividly personal letters that will help you merchandise your magazine advertising more effectively, or flash important price information to salesmen, jobbers, dealers, or branch offices, or handle numerous other important advertising chores.

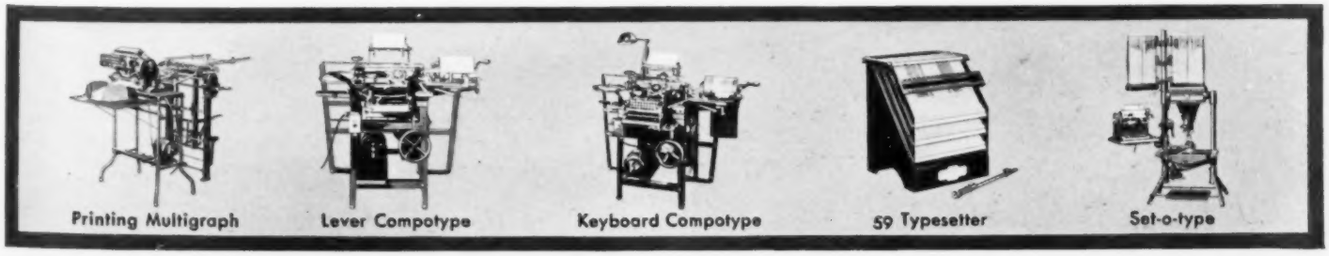
Let a Multigraph representative tell you about the Model 66 Addressing Multigraph and other units in the complete Multigraph line.

THE AMERICAN MULTIGRAPH SALES COMPANY
1834 EAST 40th STREET CLEVELAND, OHIO
The Multigraph Sales Co., Limited, 137 Wellington St. W., Toronto, Ontario
(or consult your telephone directory)

• • •

DO YOU KNOW YOUR MARKET?
We have developed Multigraph equipment to meet the special requirements of today's conditions which put a premium on selective selling.

— The MULTIGRAPH Line —



When it's a question of

PAJAMAS *or a* **TOOTH BRUSH**

Pajamas? You've that gigantic pair of silk ones Aunt Flo (bless her) made you for Christmas. And that little blue model Horace has outgrown. These ought to about cover any size guest that comes your way.

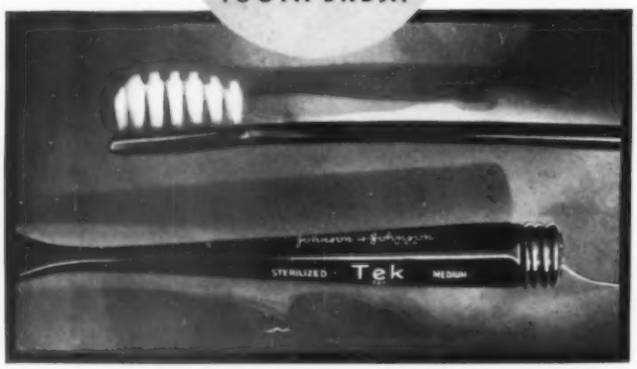
Tooth brushes? Now that's where you show yourself the perfect host. In the cabinet of your guest bathroom place two, new Tek tooth brushes. (Not a bad idea to have their handles match the general color scheme. And one should be the kind that contains dental floss.) Now think of the pleasant results. Your guests for the night will say—"Thank the Lord for a tooth brush—and it's a Tek, too." And, because it *is* a Tek, it will confirm their respect for your good taste.

People, accustomed to Tek, miss their Tek-*sercise* (physical culture of the gums and teeth) when they are out of reach of a Tek brush. So after taking your guests at contract or golf, the offering of Tek at bed-time is the friendly gesture that makes everything right.

Tek's extra wide brush-head massages gums automatically every cleaning stroke.

Tek
the modern
TOOTH BRUSH

All we ask is that you try Tek tonight and then your old brush tomorrow.



Johnson & Johnson . . . World's Largest Makers of Dental and Surgical Dressings

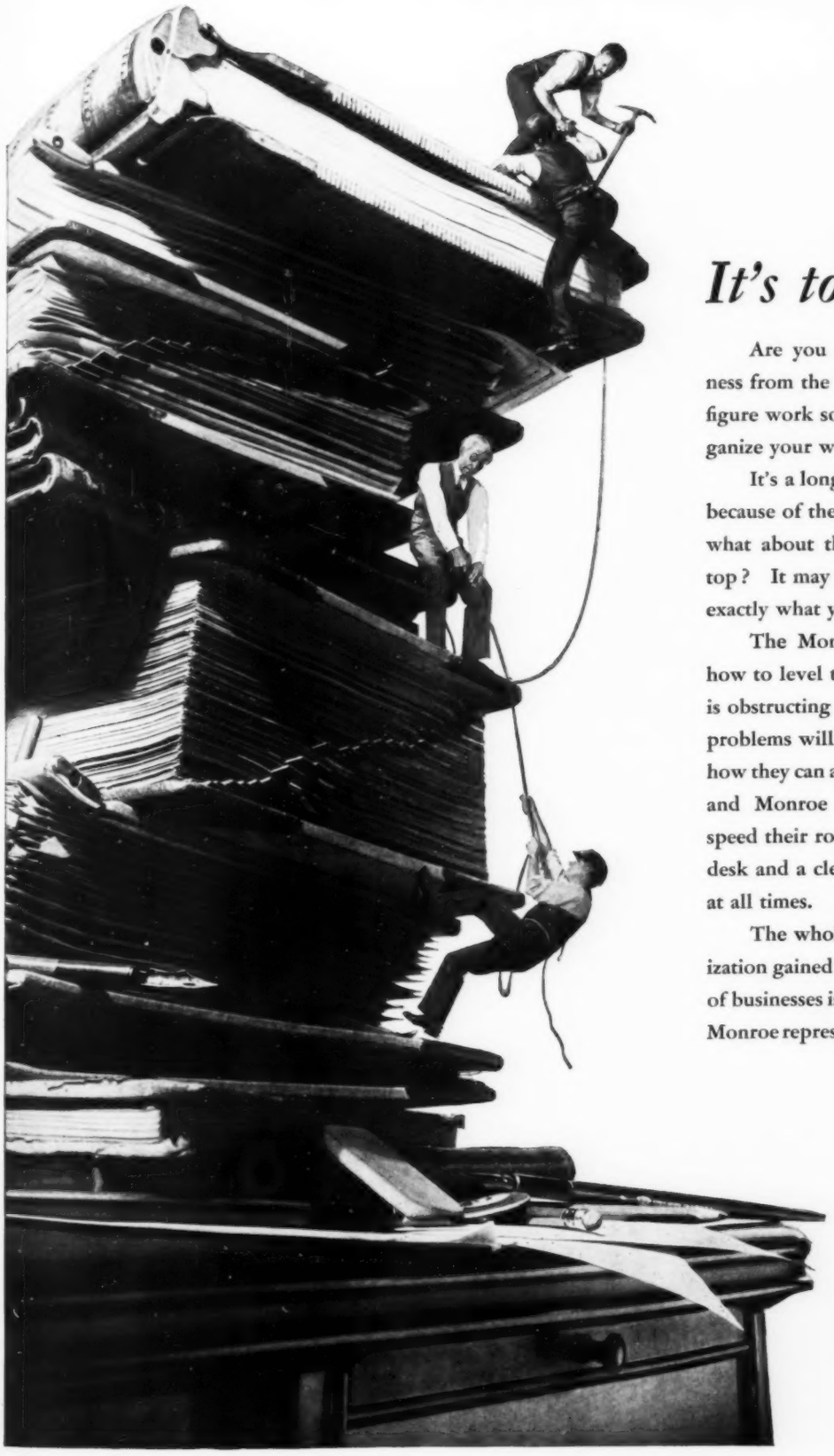
maidenhood, conception and the long travail at the end of which she brings forth the ripe fruits of the vintage (the vine is feminine in all languages, just as wine is masculine)—the wine, her offspring, suffers a sympathetic excitement and distress in a degree often amounting to functional disorder. The seasons at which, as the French say, the wine is troubled and 'labours,' are the *débourrage*, or the first budding of the vine-shoots in spring; the *floraison*, or the flowering of the vine in May; the *véraison*, or the forming of the racemes in high summer, and the *vendange*, or the ripening of the grapes for the wine-harvest of the autumn. At these periods, and more particularly during the blossoming and the vintage, wine, like a man in a state of nervous agitation, is 'not quite itself.' In some cases, indeed, it is almost undrinkable. But this ague is of short duration and the passing distemper leaves the health of the wine unimpaired. No scientist has yet been able to account for this telepathic pain which the parent vine inscrutably communicates to the blood of her grapes years after their clusters were separated from her branches. It is generally the younger and more tender wines that are most affected, though cases have been recorded where these manifestations have continued for twenty-five years: as long, as it were, as the wine could still feel the promptings of family sentiment and respond to the family instinct. Most mysterious of all is what happens to European wine that is taken to Australia, South Africa or South America: climates where the vine buds, flowers and fructifies at seasons of the year which are quite different from those corresponding to the same changes in its natural history in our northern latitudes. Instead of reflecting these changes, if at all, as and when they occur in the lands of its exile, the European wine continues loyally, year by year, to be distressed in the particular weeks of those particular months which synchronise with these various stages in the vine's development in far off Europe, according as the putting forth of her leaves, her blooming and the ripening of her grapes may be late or early at home, for all the world as though it were maturing in the cellars of its own native *château* beside the vineyard where it was grown. To the puberty and parturition of the local Australian, South African or South American vines growing near its prison walls it remains utterly and obstinately insensible. It has long been recognised, too, that the changes of the moon have a disturbing influence on wine, though this was once regarded as no more than an ignorant peasant superstition. All conscientious and experienced wine-growers and wine-merchants are careful never to rack, fine or bottle any wine, even the merest *vin ordinaire*, during these lunar periods, or when stormy or thundery weather is prevalent, choosing for preference calm, dry weather with a slight north wind. Wine is never so fine, never so characteristic, as when it is drunk where it has matured, within sight of the vines it sprang from and the wine-press in which it was vinified."

Times v. Times

[*Continued from page 64*]

to point to New York as an example of what a newspaper man can do for his community." Rochester offered a better opportunity. But even Rochester was smaller than New York, and Louis Wiley got a job with the New York *Sun* under Dana. A few weeks later, he left the *Sun* and joined the *Times*, which Mr. Ochs had just taken over, and since that first year of the new régime he has supported the policies and purpose of his employer. The first object to meet the eye in Mr. Wiley's apartment is a large desk and on it, alone, a picture of Adolph Simon Ochs.

Mr. Wiley is not a man to let business routine destroy him. He makes a game of it. Much of his thinking he does impulsively from step to step, scattering his home and his office with pencil jottings on a multitude of subjects. He walks, every decent morning, from Seventy-first Street to Forty-third Street with his secretary beside him, so marshalling his advance as never to be halted by the traffic lights, dictating occasional observations as he goes. He has two offices, one in the midst of his duties, the other high up in the Times Tower, where he can sit on a high cushion in a revolving chair, with his feet on an elevated hassock, his photographs around him, and play his rôle. He travels much, frequently abroad, and always among people of importance. He has the continuous,



It's tough climbing

Are you getting the best view of your business from the level of your own desk, or is the figure work so mountainous that you have to organize your workers into climbing parties?

It's a long and difficult climb, dangerous too, because of the innumerable chances for slips, and what about the view when they finally reach the top? It may all be worthless if it does not show exactly what you wanted when they started.

The Monroe representative can show you how to level this mountain of figure work which is obstructing your view. A study of your figuring problems will enable him to tell your own clerks how they can apply intelligently Monroe Machines and Monroe Methods to your own system, to speed their routine work and to give you a clean desk and a clear up-to-date view of your business at all times.

The whole experience of the Monroe organization gained through daily contact with all types of businesses is at your call. Telephone your local Monroe representative or write Orange, New Jersey.

SERIES 3
MONROE ADDING-CALCULATOR
with full automatic division

MONROE
HIGH SPEED ADDING-CALCULATOR
The Machine for Every Desk

CANADIAN NATIONAL—TO EVERYWHERE IN CANADA

The Highlands of ONTARIO

JUST over night from peopled places lies this cool forest playground . . . with silver lakes, shady bypaths, fragrant air and sport for all.

Hundreds of welcoming havens . . . at Muskoka, Kawartha, Lake of Bays, the 30,000 Islands of Georgian Bay or the beautiful shores of blue Lake Huron, offer infinite variety in summer-time pleasures.

Golf and tennis, fishing, swimming and canoeing in an ideal breeze-swept environment.

Or . . . paddle and camp in the solitudes of Algonquin Park, Timagami or Nipigon Forest Reserves where silence reigns and game fish leap.

Reasonable rates and comfortable accommodations for summer guests.

Full information from any Canadian National Office

CANADIAN NATIONAL
The Largest Railway System in America

BOSTON 156 Tremont St.	CLEVELAND 925 Euclid Ave.	LOS ANGELES 607 So. Grand Ave.	PITTSBURGH 360 Fifth Ave.	ST. PAUL 40 East Fifth Street
BUFFALO 420 Main St.	DETROIT 1523 Washington Blvd.	MINNEAPOLIS 518 Second Ave. So.	PORTLAND, ME. Grand Trunk Ry. Sta.	SAN FRANCISCO 689 Market St.
CHICAGO 4 So. Michigan Ave.	DULUTH 430 W. Superior St.	NEW YORK 505 Fifth Ave.	PORTLAND, ORE. 302 Yamhill St.	SEATTLE 1329 Fourth Avenue
CINCINNATI 49 E. Fourth St.	KANSAS CITY 705 Walnut St.	PHILADELPHIA 1422 Chestnut St.	ST. LOUIS 314 No. Broadway	WASHINGTON, D. C. 901—15th St., N.W.

and, to him, the necessary and gratifying sense of being in touch with the world's life. And he has never lost his own. Mr. Ochs in 1921 described Mr. Wiley as "of unusual ability, alert, indefatigable, and agreeable . . . One of my most useful and valuable assistants." He is much more than that. He is the only man whose personality has survived the *Times*. The rest of them are elements of value in the richest news-dispensing business in the world.

THE LONDON TIMES

The *Times* will never move. It cannot lose its Character.

Let the New York *Times* have its Wealth and the journals of Mr. Hearst (or the Hearst-while London *Daily Mail*) their Personality. What the *Times* of London has is its Character. Sometimes it has had nothing but its character. Sometimes its character has been all bustles, bangles, and Paisley shawls. But the *Times* has never lost it. If it did, like any kitchen maid or clergyman or prime minister, it would never get another place.

Those with characters to maintain are careful where they live. The *Times* occupies premises in Playhouse-Yard and Printing House Square, Blackfriars, in "the City." The site is respectable. The deeds run back through the King's Printing House, the Blackfriars Playhouses, one William Shakespeare, and a Dominican monastery. The conveniences are honorably few: Fleet Street, the news center of London, is far away; so is the Stock Exchange; so are the offices of Government. The composing rooms are dark and crowded. The two machine rooms are cramped and inconveniently located with reference both to the foundry and to the dispatching room. Many of the offices are in a building which was, from 1784 until quite recently, the private house of the Walter family. But the *Times* will never move. When, some years ago, it was suggested that it might find better quarters elsewhere, the whole body of its workmen and a large number of its readers protested. And the upshot of the matter was an appropriation of 50,000 or 75,000 pounds sterling ($242,500 or $363,750) per year for reconstruction of the plant in some undefined future. In the meantime the present plant, enlarged since its Hoe & Goss presses were installed under Northcliffe in 1908, succeeds in putting out more than 180,000 copies per day of the most beautifully printed and most skillfully edited of newspapers. And it is the boast of the *Times* that "from the year 1784 until the present day all the chief improvements in the printing of newspapers have been either invented or first tried and fostered in what is now the office of the *Times*."

But a respectable address is not enough. There is also the question of opinion. No more certain way of losing an excellent character than the expression of unworthy opinions. The opinions of the *Times* are impeccable. "The *Times*," according to a statement generally supposed to have been written by Geoffrey Dawson, who has returned to the editorial chair under the Astor-Walker régime, "claims to be national, independent, and complete . . . It is committed to no political party, but supports whatever party, whether in or out of power, it believes to be acting in the national interest." It has always, as a matter of fact, believed the Conservative Party to be "acting in the national interest." And its independence consists in occasional criticisms of Conservative conduct which are all the more delightful to read because they are fatherly. But it would be a mistake to suppose that there was anything venal about the opinions of the *Times*. Not even Northcliffe could change their shape. They are imbedded in the presses of the plant.

As for its news, its practice of its profession, the *Times* deserves all the good that is said of it. Its news is true not only in its facts but in its presentation. The event described has not only happened, but it has happened in the crisp daylight of accurate and intelligible English. The correspondents and editors of the *Times* are so far masters of their tongue that they can be just without being general, and not only plausible but precise. In this its style differs marvelously from the lucid and reasonable insipidity which the New York *Times* seems to require of its correspondents and which many of them are able to supply. Whether the dearth of newspaper writers capable of living speech is responsible for the style of the New York *Times* or whether the style of the New York *Times* is responsible for its lack of writers is a question for those who care to ask. But if the situation is fortunate in that it permits the New York *Times* to find an abundance of reporters at $60 to $100 a week, it is also not without its dangers. An editorial by Mr. Lippman or a column by Mr. Heywood Broun or a sports story by Mr.

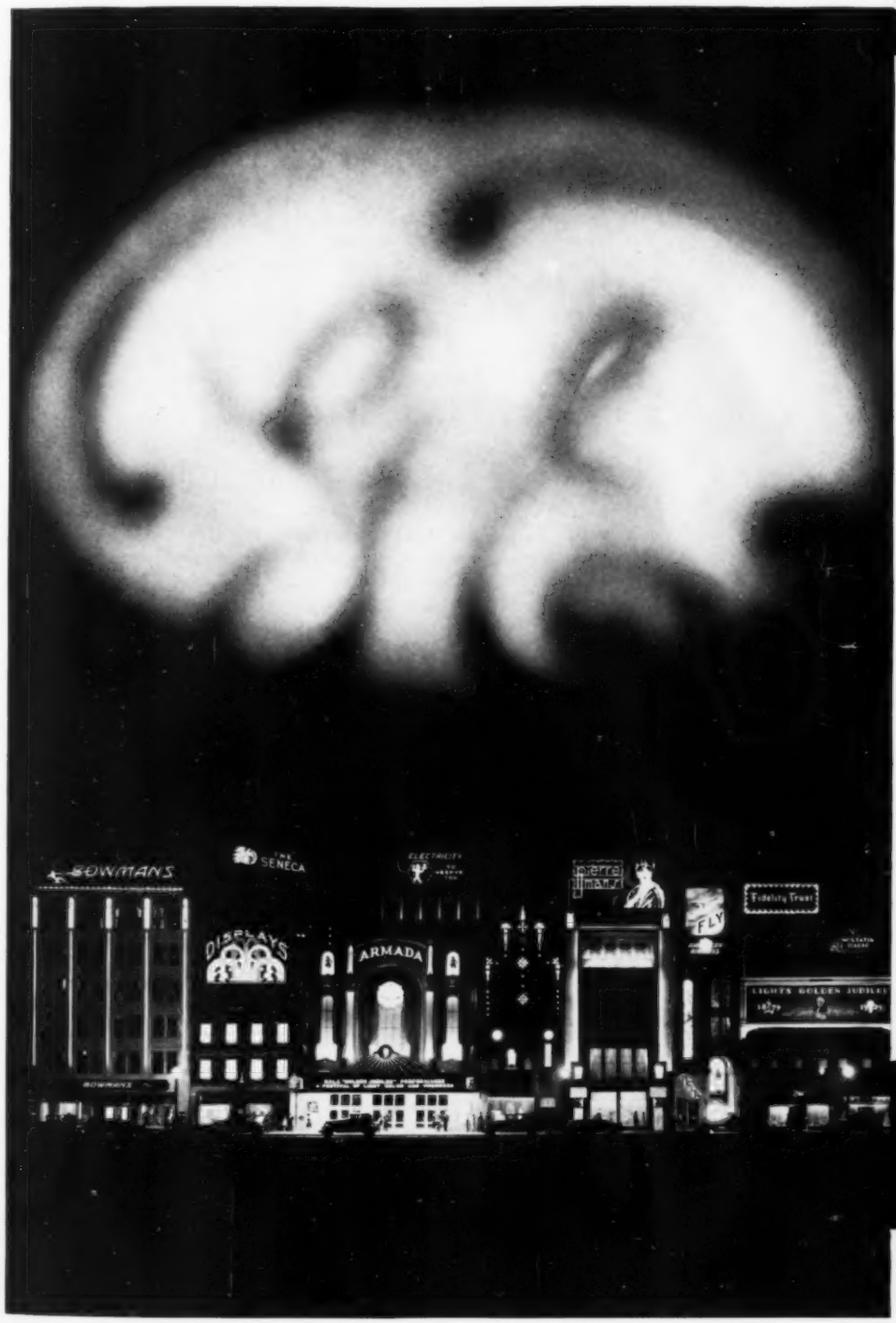
. . . LIGHTING TOMORROW'S

MAIN STREET

The Main Street of tomorrow — the towering buildings whose lighting will glitter against the night like prisms in summer sun . . . The stores with their windows illuminated like gay, romantic stages . . . The signs, flinging their jeweled messages against a velvet sky . . . The theatres . . . all these are the concern of Nela Park engineers—today. . . . . .

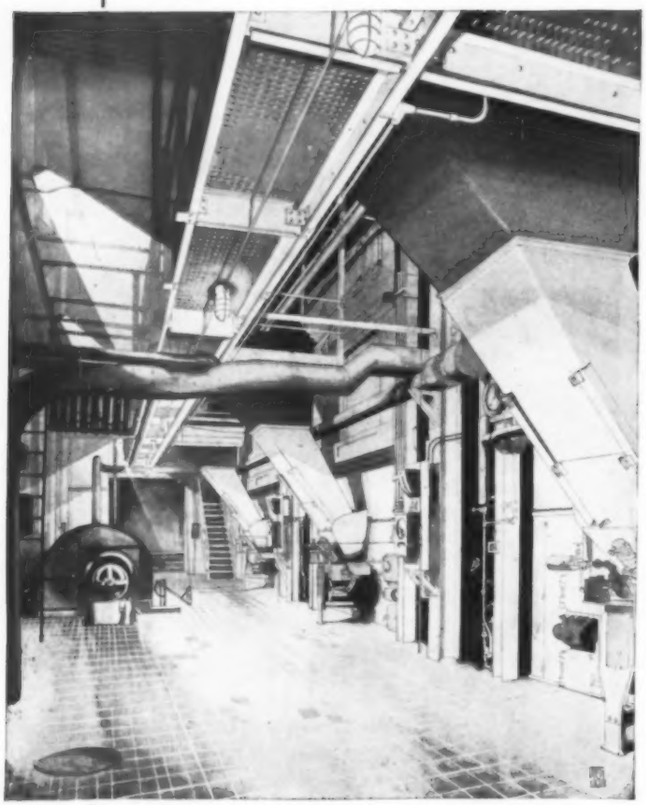
Here—at the lighting headquarters of the world—engineers and scientists are working, not only on tomorrow's Main Street, but on the illumination for tomorrow's homes and tomorrow's industries. . . . . .

Here—in the shadow of the greatest name in electricity—the manufacture, application and sales of General Electric Mazda Lamps have a common meeting ground—a desire to be ready for tomorrow—today. National Lamp Works of General Electric Company, Nela Park, Cleveland, Ohio. . . .



GENERAL ELECTRIC
MAZDA LAMPS

Join us in the General Electric Hour, broadcast every Saturday evening on a Nation-wide N. B. C. Network



Profit is *also* a Product *of the* Cool, Clean, Quiet Power Plant.

"A SAVING is a profit in the making" was never truer than in the modern power plant where so much of the heat is put to work effectively that the power house is cool. Fuel feeds into the furnace quietly, steadily, without smoke or dust.

Such a plant is a source of profit with frequently measurable influence on the dividend record.

This whole subject of profitable power production merits the attention of every major executive.

The illustration shows an interior view of one of the American Tobacco Company's power plants.

J. E. SIRRINE & COMPANY
Engineers
Greenville South Carolina

McGeehan might wreck the sheet.

In bulk, the news published by the *Times* of London is less than that published by the New York *Times*. The *Times* of London scraps 45 per cent of its cabled news and calls the process selectiveness. The New York *Times* scraps 5 per cent and calls it waste. The New York *Times* covers an important story from four or five angles. The *Times* assigns it to one man and makes him responsible for the whole. Recently the opening of an Egyptian tomb alleged to contain the mummy of a queen was witnessed by the correspondent of the *Times*. There was also present, on a tip from the *Times* of London, a representative of the New York *Times*. The tomb was opened. The London office of the New York *Times* received a wire from its representative stating that the tomb was empty. And the London office of the New York *Times* offered the story, such as it was, to the *Times*. It was politely but definitely refused. And the next day the *Times* published (from its "own correspondent") the identical story. He had rootled about in the tomb until he was assured, and was able to record for all time, that that tomb was EMPTY.

So far as domestic news is concerned, the *Times* makes no effort to compete with the scooping activities of its London competitors. It will frequently publish a story of murder or scandal one or even several days after the penny press has reported it. It views itself as the historical record of current events and cannot afford to regale its readers at the risk of misinforming posterity. In the words of "a correspondent," "There is printed every morning a certain number of copies called the Royal Edition, on paper specially made to resist the decay caused by time, and having a life of several hundreds of years. Two copies of this edition are sent to the King every morning wherever he is in residence, the farther from his capital the swifter the means of transport."

And in addition to its opinions and its news the *Times* has its departments. Its reports of law cases are so accurate and so neatly summarized that they are admitted as authority in the British courts and are cited for advance cases in American briefs.

Its society notices are indispensable to a society that has already read the *Daily Express* and the *Daily Mail* for the gossip.

Its agony columns are better reading than most best sellers and made up of about the same material. "LITTLE PAL—Remembrance sometimes makes us sad, yet shall we not seek the happiness which may be ours? Nous verrons! S.B.M... S...E." "YOUNG LADY desires PURCHASE good, slightly worn CLOTHES; small figure. Write Box V. 1992." "PORTRAITS of the late 18TH CENTURY ENGLISH SCHOOL WANTED by advertiser buying for American collectors; very high prices paid for beautiful women and children. Write Box M. 1331." "CAN ANYONE OFFER POSITION with permanent prospects ex-officer (War period wounded), aged 35, single, good birth and education, now disengaged and in desperate circumstances? . . ."

Its correspondence column is superb and is frequently a source of news. The gentleman who wrote letters to the *Times* may be anyone. He may be Lord Birkenhead writing about the perfidy of the Attorney-General; Robert Bridges protesting against a proposed aërodrome near hallowed Oxford; Horace Plunkett on agricultural policy; A. P. Herbert, the humorist, seriously proposing a water bus upon the Thames; Lord Cushendun explaining his differences with Beaverbrook as regards the Empire trade platform; "A Naval Wife" on her husband's pay; the Aga Khan on British policy in India; Bernard Shaw on the stupidity of film censors; Lord Robert Cecil on the felicities of the League of Nations Union; Balfour, Lloyd George, and Smuts "as members of the War Cabinet responsible for the Balfour Declaration twelve years ago"; whimsical Mr. A. A. Milne on musical censorship.

And its supplements, the Literary Supplement, the Educational Supplement, and the Trade & Engineering Supplement are excellent. The Literary Supplement appears Thursdays, sells at 3d and has a circulation of 30,000. The corresponding section of the New York *Times*, its Book Review Section, goes out with the Sunday paper and has, consequently, a circulation of 750,000. The two offer a contrast which is characteristic of the two papers as a whole. The Literary Supplement carries its advertising upon its literary prestige, which is certainly greater than that of any other literary supplement; the Book Review Section of the New York *Times* supports its literary prestige upon its advertising, which exceeds the book advertising of any other paper in the world. Where the first is read for what it has to say, the second is read for what it has to sell. The book reviews of the New York

Next winter's comfort will be planned this May

"When it rains I can't fix it; when it don't I don't need to."

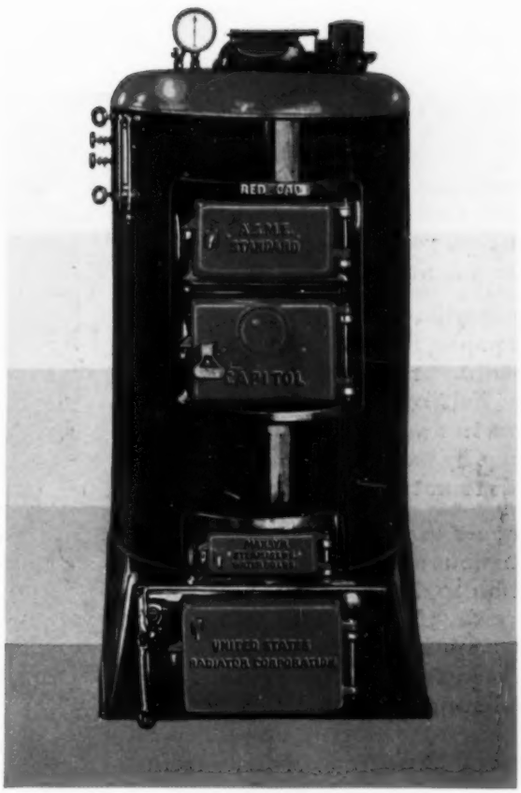
THIS is an old, old Arkansas Traveler's joke of the man who never modernized his roof. Now, when the earth shakes off winter's spell and nature makes all things new, is the time to check the things in your home that need renewing.

If your heating plant has left fresh in your memory discomfort and extra labor and over-large fuel bills endured all winter through, now is the time to plan so that next winter won't be another like the last.

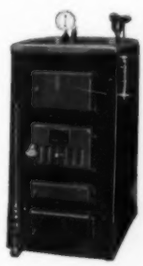
Now, in short, is the time to have your heating contractor install a new Capitol boiler to serve Capitol radiators. The Red Cap, the Red Top, the Red Head . . . whichever you choose, heating quality in every detail will increase the value of a new home or an old one. They burn coal, coke, oil, or gas.

Convenient payments if desired

Don't let cost delay you. Moderately priced *Capitol Guaranteed Heating*, warranted in writing, can be completely installed for a few dollars down and a few dollars a month under the Capitol Deferred Payment Plan. Let us send you our manual of better heating, "A Modern House Warming."

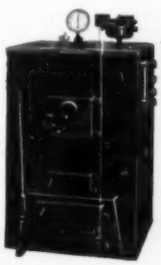


The Capitol Red Cap
Embodies every improvement known in round boilers. A thick blanket of rock wool, the finest insulation obtainable, suggests its quality in every particular. For medium sized residences



The Capitol Red Top
This is, we believe, the finest square boiler yet achieved. Rock wool insulation. Staunch jacket in baked enamel. Vitreous enamel doors

The Capitol Red Head
To small homes this handsome heat-maker with rock wool insulation, brings the advantages of radiator heat for little if any more than the cost of your second choice in heating equipment



United States Radiator Corporation–Detroit, Michigan

8 Factories and 35 Assembling Plants Serve the Country—For 40 years builders of dependable heating equipment

THE PACIFIC STEEL BOILER CORPORATION
Division of the United States Radiator Corporation, builds welded steel heating boilers for buildings of all sizes from bungalows to skyscrapers

Guaranteed Heating WITH

Capitol Boilers

AND RADIATORS

© 1930, U. S. R. Corp.

Give your typist half a chance

and she'll turn out twice the work!

No one can do a good job with the wrong sort of tools — and the girl who does your billing or types your orders, is no exception to the rule.

If you still use loose forms and carbon paper, for invoices, orders, bills of lading and other records, probably half or more of her time is spent in *waste* motions — in doing things by hand that a machine can do automatically.

Chances are your operator is just as anxious as anyone in your organization to do a full job. She can't, however, if she has to spend half her time in: (1) inserting carbon between forms; (2) jogging sheets in alignment; (3) inserting in typewriter; (4) straightening in machine; (5) finding writing position; and (6) separating carbon paper from typed forms.

These six wasteful stops are eliminated with "non-stop" typing — and thousands of users of Multi-PLY forms testify to the fact that if you'll give your typist half a chance — by giving her the proper tools to use — she'll turn out twice the work.

GLOBE Multi-PLY FORMS

With Multi-PLY Forms, machine operations replace costly hand operations. Your typist's time is 100% productive. No waste motions. No lost time. No carbon to handle. No getting ready or finishing up operations. Just typing — that's all.

For business men who hate waste, there is a portfolio which fully explains the Multi-PLY "non-stop" method — and shows how it saves time and money, cuts red tape, increases accuracy and speeds up plant operation.

May we send it to you?

The Globe Register Company

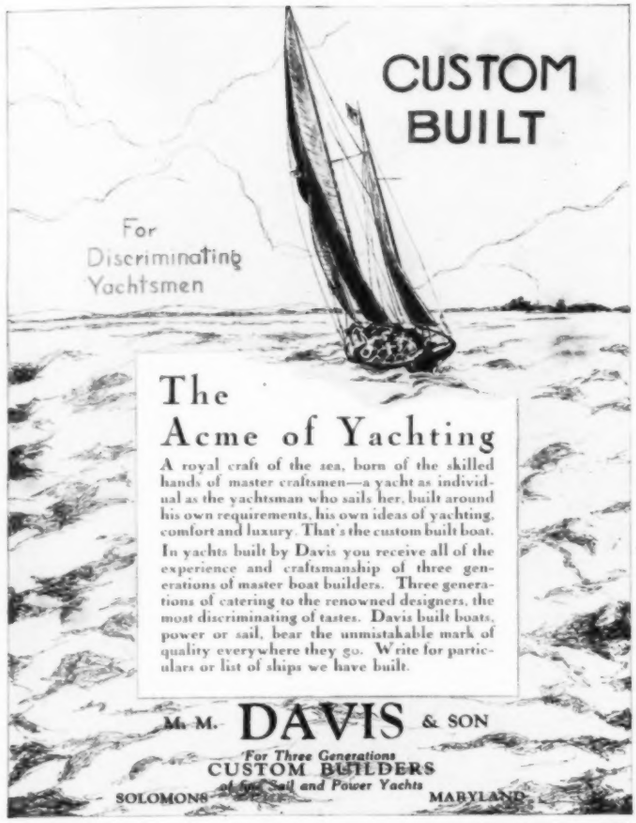
DIVISION OF UNITED AUTOGRAPHIC REGISTER CO.

Branches: all principal cities. *Factories: Chicago, Cleveland, Oakland, and Cincinnati*

this portfolio of Multi-PLY *forms free to business executives*

The Multi-PLY Portfolio will be a worth-while addition to your business library — whether you're interested right now or not.

It is free — and carries no obligation, whatever. Just write to The Globe Register Co., 2412 Reading Road, Cincinnati, Ohio, and ask for Portfolio F-3.



The
Acme of Yachting

A royal craft of the sea, born of the skilled hands of master craftsmen—a yacht as individual as the yachtsman who sails her, built around his own requirements, his own ideas of yachting, comfort and luxury. That's the custom built boat.

In yachts built by Davis you receive all of the experience and craftsmanship of three generations of master boat builders. Three generations of catering to the renowned designers, the most discriminating of tastes. Davis built boats, power or sail, bear the unmistakable mark of quality everywhere they go. Write for particulars or list of ships we have built.

M. M. DAVIS & SON
For Three Generations
CUSTOM BUILDERS
of Sail and Power Yachts
SOLOMONS MARYLAND

CHANGES *of* ADDRESS

Notice of a change of address, to be effective with the June issue of FORTUNE must reach the Subscription Department prior to May 10th.

The Post Office does not forward magazines, including FORTUNE, which are mailed under the Second Class Rate of Postage.

It is important that your former address be indicated when advising us of the new.

Fortune

Subscription Dept., 350 East 22nd St., Chicago

The Lockheed
"REGISTER"

SINCE JANUARY 1, 1930

the following distinguished persons and corporations in the United States and abroad have taken delivery of or have placed orders for new Lockheeds:

COLONEL CHARLES A. LINDBERGH

AMELIA EARHART

LIEUTENANT JAMES DOOLITTLE
Shell Petroleum Corporation

COLONEL ARTHUR C. GOEBEL

LIEUTENANT A. HAROLD BROMLEY
for the Tacoma Chamber of Commerce

GENERAL ROBERTO FIERRO
Director of Civil Aviation, Mexican Government

CAPTAIN JOHN A. MacCREADY
Shell Oil Company of California

JOHANNA FAY SHANKLE of Boston

MONSIGNOR E. G. EORDOGH
for the Hungarian-American Ocean Flight

ASA CANDLER, JR., of Atlanta

JOHN HENRY MEARS of New York

ALASKA-WASHINGTON AIRWAYS
Seattle (two planes)

NEW YORK, RIO & BUENOS AIRES LINE, INC. (two planes)

DETROIT AIRCRAFT

UNION TRUST BUILDING, DETROIT

CHANIN BLDG. NEW YORK • ROOSEVELT BLDG., LOS ANGELES

LOCKHEED AIRCRAFT CORPORATION
EASTMAN AIRCRAFT CORPORATION
RYAN AIRCRAFT CORPORATION
AIRCRAFT PARTS CO., INCORPORATED
PARKS AIR COLLEGE, INCORPORATED
PARKS AIRCRAFT CORPORATION
BLACKBURN AIRCRAFT CORPORATION
AIRCRAFT DEVELOPMENT CORPORATION
MARINE AIRCRAFT CORPORATION
GROSSE ILE AIRPORT, INCORPORATED
GLIDERS, INCORPORATED
DETROIT AIRCRAFT EXPORT CORP.

Underwriters and Distributors of
Government, Municipal, Railroad,
Public Utility and Industrial Securities

Investment and Brokerage Service

Members New York and
other leading Stock Exchanges

OTIS & CO.
Established 1899

NEW YORK CLEVELAND CHICAGO

Offices in twenty-eight cities

The
BLACKSTONE
South Michigan Avenue
and the Lake Front
CHICAGO

HOTELS *of* Distinction

These world-famous hotels have been individualized by impressive ideals of service, quiet dignity and a lasting congenial atmosphere.

Residential suites for long term leases available at special discounts.

Particular attention given to Banquets, Balls, and other Social Functions. Unusual facilities for Conventions at The Drake.

Write or consult C. C. Drake Company for steamship tickets, tours. Every facility for travelers. Offices in above hotels, and in The Roosevelt, New York, The Benjamin Franklin, Philadelphia, The Willard, Washington, The St. Francis, San Francisco.

The DRAKE
HOTEL Chicago
Lake Shore Drive at Michigan Avenue

Times are, for the most part, dull, its reviewers without authority, and its reputation among writers (as distinguished from Literary businessmen) nil. The reputation of the *Times* Literary Supplement on the contrary is high, its matter interesting, and its contributors important. It would be difficult to name a contemporary English writer of distinction whom the *Times'* rule of anonymity has not covered (and made known). Among its contributors in the generation now coming to power are, or have been, T. S. Eliot, Herbert Read, Richard Aldington, Robert Graves, and as many more as one cares to take the space to name. That there is some relation between excellence and profits is indicated by the fact that whereas the New York *Times* Book Review charges $1,300 a page for a circulation of 760,000, the Literary Supplement of the *Times* of London is paid £100 ($485) a page for a circulation of 30,000, or about nine times as much. The same thing is true of advertising in the two papers themselves.

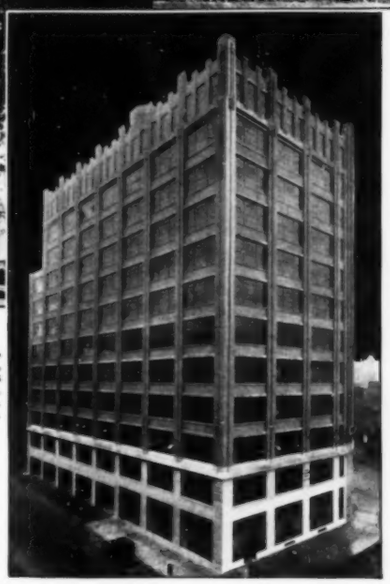
Between the editorial pages of the *Times* of London and the New York *Times* no such easy comparison is possible. They differ in kind rather than in degree. The editorials of the New York *Times* are comments or expressions of opinion or occasional essays embroidering some bit of homely news with rather unnecessary drafts upon Bartlett's *Familiar Quotations*, or making sly, waggish fun of some young painter or poet whose manner resembles nothing the editors of the New York *Times* have ever seen. The leading articles of the *Times* of London, on the contrary (though they may bloom sometimes with very similar flowers), contain a considerable increment of news. They are frequently devoted to full and exhaustive discussions of problems which have appeared piecemeal in the daily dispatches. And they are read by people to whom pronouncements of editorial opinion in general are about as important as the *Congressional Record*.

The editor of the *Times* of London must consequently be a different kind of man from the editor of the New York *Times*. Mr. Geoffrey Dawson (born Robinson: changed his name to Dawson by Royal Licence in 1917 for reasons said to revolve about a legacy) is a graduate of Magdalen College, Oxford, and a Fellow of All Souls. He was trained in the Colonial Office for three years, and in Lord Milner's school for bright young men in Africa for four. For five years he edited the Johannesburg *Star*. He has had experience of the Empire and of the British Isles. Also he "belongs." He believes in the majesty of the *Times* and the "best people." He is not always approachable (but when approached agreeable and human), and he is given to corresponding distantly with his various departments. He can be counted on (with the *Times*) not to be aware of things it would be embarrassing to notice. But he is capable of emotion, e. g., his break with Northcliffe, leading to his resignation as editor in 1919. Although he is not one of the great editors of the *Times*, he is clearly in the great tradition for he belongs to the (once) ruling class, he has himself been employed in the government of the Empire, and he possesses the *kind* of education which has produced the *kind* of tradition which the *Times* preserves. The *Times* was once described as a newspaper written by gentlemen for gentlemen. And the first part of that dubious description remains true.

Few newspaper proprietors could say, even if they cared to, that their journals were the *property* of their readers. The *Times* of London can say just that. The carefully preserved and protected character of the *Times* is not its own to change. If Northcliffe had changed it, he would not only have destroyed the *Times* but he would have done thousands of foreign-living Englishmen an irremediable harm: he would have robbed them of their goods. Should the Weekly Edition with its news, its special articles, its leaders, letters, illustrations, crossword puzzles, and chess problems selected from the six daily numbers of the *Times* and further enlivened with bridge hints for the garrison club-houses and the officers' wives, change in its form or substance, the sweltering porches of the consulate at Bushire would know it, and Indragiri and Pukapuka and Griffin Cove would be, by that much, farther off from London. "From Iceland in the frozen north . . ." begins the prospectus which recites the merits of this weekly. And so it is. There is no considerable settlement of the British Empire and no Colonial town to which the weekly does not go. And its power is immeasurable. What the Scotch prospector at Forty-Mile wants is not news of Glasgow. Anyone can give him that in time. He wants the look of something British and the familiar, human sameness of a thing he knows. In a world in which all other newspapers owe their profits to their ability to change, the *Times* remains unaltered. It cannot change. It has a character to keep.

Chancery Building, Detroit. Architect, Donaldson & Meier, Detroit. Contractor, Talbot & Meier, Detroit.

Montgomery Ward & Co., Albany, N. Y. Designed by W. H. McCaully, Eng., Chicago. Contractor, Wells Brothers Construction Co., Chicago.



Green Industrial Building, New York. Architect, Renwick, Aspinwall & Guard, New York City. Contractor, Turner Constr. Company, New York City.

Medical Arts Building, Nashville, Tenn. Architect, Alsop & Callanan, Memphis, Tenn. Contractor, Foster & Creighton, Nashville, Tenn.

The Loyalty of Bayley Users

PRODUCTS *designed right . . . built right . . . installed right* — this sums up a Bayley ideal that is creating an ever-growing volume of sales. And the significant fact is that much of this increase in business each year comes from loyal users who are so completely sold on the Bayley organization and Bayley products that they never take second thought when a new or enlarged building is under consideration. This roster of loyal users includes not only influential owners but also leading architects and successful contractors throughout the country.

Obviously, they have found from long experience that for thorough engineering cooperation and for skilfully designed and masterly constructed steel windows and doors, Bayley is incomparable, giving the utmost value and lasting satisfaction. They have also found that Bayley follows through — that even after an installation is completed, interest in the customer's satisfaction continues.

Only a closely-knit organization, backed by adequate resources and forty-nine years of experience, makes it possible for Bayley to build steel windows and doors that merit such loyalty from customers; and to offer engineering cooperation that eliminates uncertainty for architects and contractors . . . as well as regrets for owners.

An opportunity to demonstrate Bayley service is always welcomed. A Bayley man will gladly call and furnish any information desired, without placing you under obligation. Illustrated folder sent on request. The William Bayley Company, 148 North St., Springfield, Ohio.

Bayley Steel Products include the following

- Pivoted Windows
- Pivoted Windows Screened
- Projected Windows Commercial
- Projected Windows Architectural
- Casement Windows
- Continuous Windows
- Detention Windows
- Prison Windows
- Airport Doors
- Tubular Doors

Shibaura Engineering Wks., Tsurumi, Japan. Designed and built by H. K. Ferguson Co., Cleveland.

BAYLEY
STEEL WINDOWS & DOORS

District Offices

New York, 67 W. 44th St.
Boston, 5 Park St.
Chicago, 75 E. Wacker Drive
Cleveland, 449 Terminal Tower
Washington, 1427 I St., N. W.
Atlanta, 407 Bona Allen Bldg.
Springfield, O., North St.

Sales Agencies also in Principal Cities

Comfort, Quality, Luxury and low Purchase Price!

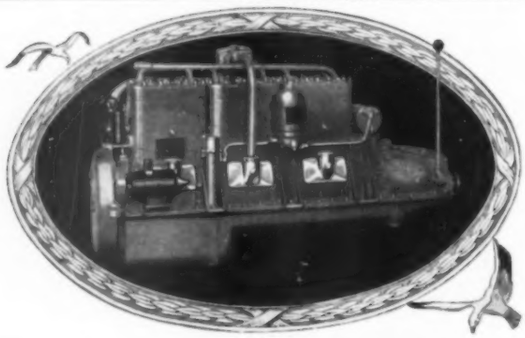
THE Cruisabouts provide the same luxury and comfort found on the big sea-going steamships. In addition to these, they have comforts, conveniences, privacy and seaworthiness unequalled in any boat under 30 feet in length. That is why the Cruisabouts are preferred by those who want comfortable living accommodations as well as safe water transportation.

The unusually low price of the Cruisabouts are equally as astounding as the quality and beauty of these jaunty yachts and are within the means of any successful man.

See the Cruisabouts at the showroom of Bruns-Kimball and Company, Fifth Avenue and Fifteenth Street, New York City or write for booklet "N" which will be mailed without cost or obligation to you.

RICHARDSON BOAT COMPANY, Inc.
454 Sweeney Street North Tonawanda, N.Y.

Richardson Cruisabouts



BANFIELD—*6 Models*
CHRIS-CRAFT*—*6 Models*
CORSAIR "36"
GAR WOOD "40"
HACKERCRAFT*
KING SEA-SKIFFS
KYLE "43"
MATTHEWS*
MINETT-SHIELDS
NORTH STAR
ROBINSON SEA GULL
Twin Installations
SEA LYON "40"*
STEPHENS
WHEELER "PLAYMATES"*
Foreign
BRITISH POWER BOATS
OSBORNE-CRAFT—*England*
CLAUS-CRAFT—*Germany*
DESPUJOLS—*France*
*Optional

SCRIPPS *Powered*

The wide acceptance of SCRIPPS Motors is best expressed by the ever growing list of standardized craft offered with SCRIPPS as standard or optional equipment.

Fifteen models—15 or 200 Horse Power.
High speed and medium duty.

Interesting literature will be mailed upon request.

SCRIPPS MOTOR CO., 5844 LINCOLN AVENUE, DETROIT, MICH.

SCRIPPS

• THE MOTOR THAT CROSSED THE ATLANTIC •

AMTORG MAKES DEAL WITH A. G. McKEE CO.

Who.—The Union of Soviet Socialist Republics and its agencies, the Amtorg Trading Corporation of New York and the Soviet Bureau for the Construction of the Magnet Mountain Steel Mill . . .

What.—Made a contract with Arthur G. McKee & Company, of Cleveland, Ohio, which designs and constructs steel plants, blast furnaces, oil refineries, for technical assistance in the building of the largest steel mill in Europe and the second largest in the world in the Ural region of the Soviet Union. More than 250 American technicians are expected to be engaged in the construction of the plant and its adjuncts, which will cost nearly $350,000,000 . . .

Why.—"Because," says Peter A. Bogdanov, chairman of the Amtorg, "the metallurgical industry of the Soviet Union, which will have the task of supplying the steel required for the tractor, automobile, and general machine-building industries, now being intensively developed in U.S.S.R., is now being expanded on a truly great scale. It is expected to treble last year's production of pig iron, amounting to 4,018,000 metric tons, by 1933. In this development, as in many other branches of Soviet industry, American engineering experience and skill will play an important rôle. The present agreement is undoubtedly an important step in bringing about closer technical coöperation between the industries of the U.S. S.R. and the United States."

VAN SWERINGENS ADD 1 MORE RY. TO STRING; GET CONTROL C. & E. I.

Who.—Mantis and Oris Van Sweringen, Cleveland collectors of railroads . . .

What.—Acquired control of the Chicago & Eastern Illinois railroad through the purchase of the interest of the Thomas Fortune Ryan estate . . .

Why.—To tie together the western extremities of their system. The Chicago & Easten Illinois, which runs between Chicago and St. Louis, is an important north-and-south line that has long been coveted by the Van Sweringens. The Interstate Commerce Commission, in its Final Plan, awarded the Chicago & Eastern Illinois elsewhere. The Van Sweringens, unable to get what they wanted by asking, have apparently decided to adopt Pennsylvanian tactics, and take.

ALLIED CHEMICAL & DYE EXPANDS

Who.—Allied Chemical & Dye Corp., the largest chemical enterprise in the world . . .

What.—Will begin work on a $20,000,000 second unit of the plant of its subsidiary, the Atmospheric Nitrogen Corp., at Hopewell, Virginia. The first unit of the proposed $125,000,000 plant began operating in December, 1928 . . .

Why.—Plants, which take nitrogen from the air and manufacture commercial nitrates from it, such as this one and similar ones in Germany, where the process was invented, are seriously threatening the rich nitrate monopoly of Chile, where once the world went for nearly all its peacetime fertilizers and wartime explosives.

Reported Agreement Between Lloyd and Hamburg Companies Is Confirmed.

Who.—The Hamburg-American Line (the *Graf Zeppelin*, the *New York*) and the North German Lloyd (the *Bremen*, the *Europa*) . . .

What.—Reached an agreement for close coöperation for fifty years which provides for no actual merger but for interlocking directorates and the pooling of the receipts on the more important trade routes. Hamburg-American will not build large ships to compete with the new crack vessels of the North German Lloyd which now hold the ship speed records for crossing the Atlantic . . .

Why.—To meet foreign competition, decrease costs of operation, the companies will act as a unit with a fleet of 2,000,000 deadweight tons. (See *Faces of the Month*, page 98.)

[*Continued on page 138*]

Prompt Payment of Losses

is a Part of CENTRAL Insurance

When you suffer loss from fire, tornado or other cause, you want your insurance just as quickly as you can get it. Realizing that fact and thoroughly sympathetic with your need, CENTRAL has made it an invariable rule to mail every check for a loss claim the same day on which proof of loss is received. Prompt payment is a part of CENTRAL insurance.

For over half a century, CENTRAL has given conscientious service to its policyholders, with real protection in its policies, fair adjustments and prompt payment of losses, and a conservative management which, for the last nine years, has returned a dividend of 30%—a substantial saving in insurance cost. The company's stability is unquestioned; its policies absolutely safe.

CHECKS MAILED SAME DAY PROOF OF LOSS RECEIVED

For Fire, Automobile, Tornado or Aircraft Insurance, CENTRAL policies command the interest of every careful buyer of insurance protection. All policies written through local CENTRAL agents. There is probably one in your territory. Full information, with name of nearest representative, on request.

Organized 1876 — *The* **CENTRAL** — *A Friendly Company*

MANUFACTURERS MUTUAL INSURANCE COMPANY
VAN WERT, OHIO

FIRE, AUTOMOBILE AND TORNADO INSURANCE FOR SELECT RISKS

Marriage Agents Incorporate to Glorify Matches

Who.—The Marriage Brokers' Association of the United States, Inc., composed of the leading Hebrew schatchen, who hold their profession to be an ancient, noble, and necessary one. . . .

What.—Was incorporated in New York. A schatchen, or marriage broker, now charges $250 and up for a satisfactory marriage, but his contracts with the satisfactorily married have no standing at law. . .

Why.—"There are," says Schatchen Meyer Cohen of the Bronx, "both males and females who are too refined and sedate to go to dances and affairs of that kind, so they come to us and we find a way to enable them to meet people of the type they desire. What we are seeking to do is to eliminate brokers who have been guilty of misrepresentations. This can be done if the business is regulated by the state . . . We want things put on an ideal basis. Our business is a holy one, and we want mercenary people kept out of it."

Western Union Buys Amer. Tel. & Cable

Who.—The Western Union Telegraph Company . . .

What.—Purchased outright the assets of the American Telegraph & Cable Company, which consisted of two venerable cables from Sennen Cove in England to Dover Bay, Nova Scotia . . .

Why.—Because in May, 1932, comes to an end the fifty-year lease of the cables to Western Union. The cables are old. Western Union has eight other, newer, faster cables.

DU PONT EXPANDS

Who.—E. I. du Pont de Nemours & Company, Inc., leading organization in powder and explosives manufacture (also dyes, paints, rayon, synthetic plastics, motion picture film, chemicals) . . .

What.—Acquired the Roessler & Hasslacher Chemical Company (assets more than $15,000,000). Latest Roessler & Hasslacher patent: a process for manufacture of oxygen preparations employed in air purification . . .

Why.—du Pont has been a regular buyer of Roessler & Hasslacher products.

Monte Carlo Casino Adds Bars to Buoy Up Stocks

Who.—Société des Bains de Mer de Monaco, holding company for the once fabulously rich gambling Casino at Monte Carlo, Monaco . . .

What.—By allowing smoking, installing easy chairs, and reducing the price of drinks has made a frantic effort to restore the Casino's popularity. Now in a last effort a dice game will be opened in an annex . . .

Why.—Competition from other gambling casinos along the Riviera has resulted in the fall of stock of Société des Bains de Mer de Monaco from 13,000 francs ($520) to 7,000 francs ($280) in twelve months.

Transoceanic Zeppelin Line Backed by Millions

Who.—Dr. Hugo Eckener, head of the Zeppelin Luftschiffbau, commander of the *Graf Zeppelin* . . .

What.—Announced from the home of National City Bank Chairman Charles E. Mitchell that transatlantic airship service plans were receiving backing and active interest from many United States companies, including the Aluminum Company of America, the United Aircraft and Transport Corporation, Union Carbide, the Goodyear-Zeppelin Corporation of Akron, Ohio, and Mr. Mitchell's National City Bank . . .

Why.—" . . . it means that the airplane and airship, long regarded as competitors, through two of their greatest companies [Goodyear and United Aircraft], are joining in a coöperative enterprise."

To the EXECUTIVES Of the United States...

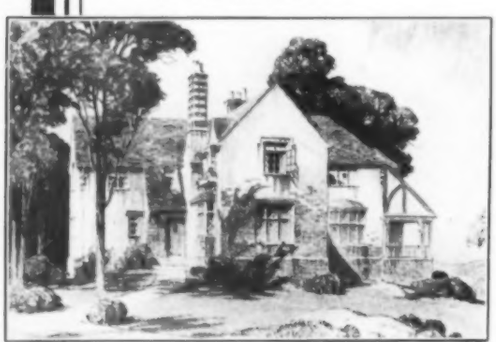
who either have their offices in New York City or intend making it their headquarters in the near future.

In making a final decision as to a permanent home, there are several points you should consider. The ease and speed of transportation—the community and its surroundings—the better schools and shops near at hand—the pleasures and sports offered, and the restrictions in force that will protect your home from unpleasant encroachments in the years to come.

Chilmark Park offers all of these, as well as many other important suburban advantages.

This residential park of exceptional beauty is part of a famous estate overlooking the Hudson, only 47 minutes from Grand Central Station. Its landscaped driveways winding through the hills (completely improved with water, sewer, gas and electricity), offer building sites of rare charm and individuality.

A Community Club House for the residents of the Park has recently been completed, with club rooms, bowling alleys, squash courts and locker rooms; also a large outdoor swimming pool, tennis courts and several holes of golf.



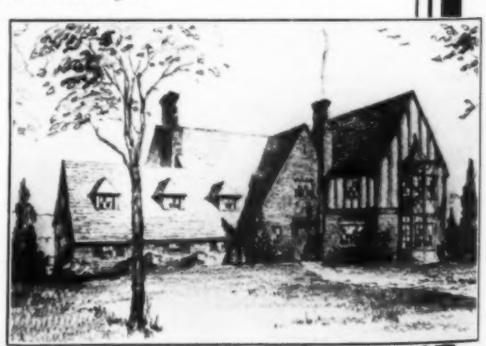
Present Offerings—Four 8 and 10 room stucco and half-timbered homes, with private garages, on approximately ½ acre plots, completely landscaped and ready for immediate occupancy. Three homes now under construction and two planned for. Also a few exceptionally choice residential sites.

Chilmark Park is carefully restricted and reserves the privilege of selecting its clientele.

Write, phone or come and see this beautiful community of better homes.

Arthur M. Holbrook, Broker, or your own broker is protected.

Chilmark Park
REALTY CORPORATION
SCARBOROUGH-ON-HUDSON
Ossining, N. Y.
TELEPHONE
Ossining 1083



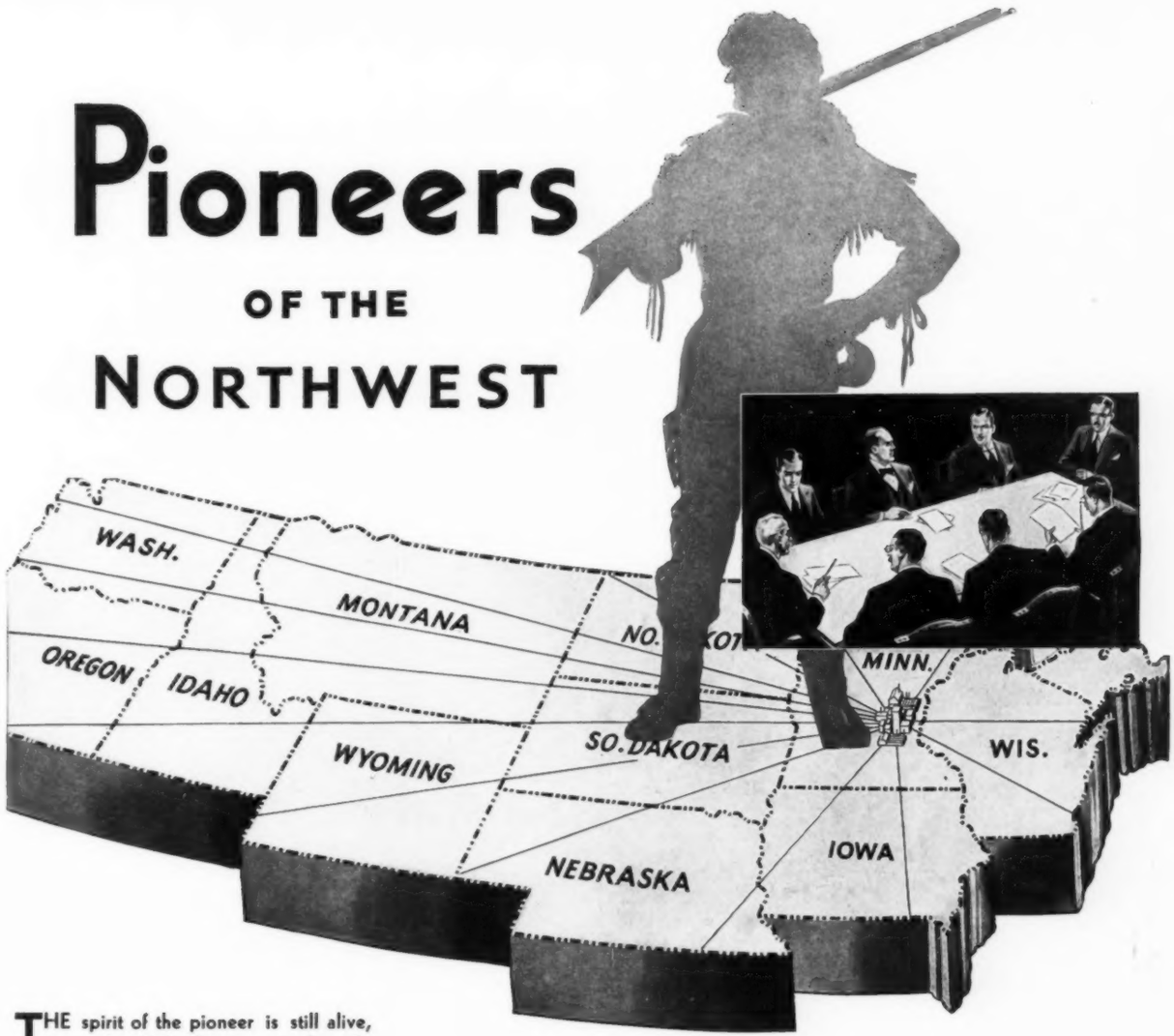
This house in the English style, of stone and stucco construction, has just been completed and ready for occupancy.

An attractive English Home recently built by its owner.

A rambling English cottage of stucco, half-timber and brick, nearing completion and ready for inspection.

A Brick Colonial Home recently completed for the purchaser.

Pioneers
OF THE NORTHWEST



THE spirit of the pioneer is still alive, even though the business suit has taken the place of buckskin, and money and securities are used instead of the blunderbuss and the Buffalo gun. The men who formed the Northwest Bancorporation are carrying on the work begun in the covered wagon days.

In certain sections, banking facilities became inadequate to supply the needs of agriculture and business in the middle Northwest. Leading bankers joined together to form a group of banks in this great section of the country with sufficient resources to keep the Northwest in step with the rapid advance of American business. In a little more than a year, 97 banks and trust companies have become affiliated in this financial organization. The Northwest Bancorporation now has resources of over $480,000,000 and offers a banking service through each bank, trust company and investment security company that is adequate to the needs of its community.

This new financial structure is not only valuable to the Northwest but it also offers to executives throughout the United States the banking strength, stability and service they require in the Middle Northwest. To any one interested in the financial pioneering of the Northwest Bancorporation, we will be glad to send our booklet "Blazing a New Financial Trail." Write the Northwest Bancorporation, Minneapolis, Minnesota.

A GREAT BANKING INSTITUTION

NORTHWEST BANCORPORATION

COMBINED RESOURCES OVER $480,000,000

MINNEAPOLIS, MINNESOTA

health

A hundred yards from The Glen Springs' main entrance, you can tee up on one of the sportiest courses in the State . . . nine especially-planned holes which offer the low-handicap man everything but undue fatigue, at the same time providing a really interesting game for the average player.

And afterwards — at your disposal are all the advantages which have made The Glen Springs so famous . . . the radio-active mineral springs . . . the Nauheim Baths given, as nowhere else in America, with a natural Calcium Chloride brine . . . the most complete and elaborate equipment for intelligent rest . . .

Here is more than a pleasant fortnight in magnificent surroundings. Here is a vacation whose tonic effects will last for years.

AT THE GLEN SPRINGS

Literature by addressing Wm. M. Leffingwell, Pres., Watkins Glen, New York

A
Personal Invitation
to
Hotel Hollenden

I TAKE pleasure in extending to the readers of "Fortune" a most cordial personal invitation to make The Hotel Hollenden their home when in Cleveland. Located in the heart of Cleveland's business and financial district, The Hollenden, one of the distinguished hotels of the country, offers in grateful combination, homelike comfort, luxurious surroundings, an unexcelled cuisine and an atmosphere of smartness and reasonable and uniform rates.

The famous Crystal Dining Room is a brilliant and delightful place to dine. In the "Show Boat" you will find *"a supper restaurant that is totally different"* and music by Emerson Gill and his "Show Boat" orchestra.

The Hollenden Coffee Shop is modern to the last word, with fast counter and table service for the busy man and woman.

Sincerely yours,

Vice Pres. & Gen. Mgr.

In Cleveland-it's The
HOLLENDEN
THEO. DE WITT,
Vice Pres. and Gen. Mgr.

Marshall Field, Tom, Dick & Harry

[*Continued from page 106*]

A second and perhaps even more significant deal was Field, Glore's participation with Bonbright & Co. in the formation of a holding corporation to be known as European Electric Corp., Ltd.

The third, and the most recent of the three, was Field, Glore's offering with Lee, Higginson & Co. of 540,000 shares of Marshall Field & Co. stock at $50 the share. Its significance lies in the fact that the issue was Marshall Field & Co.'s first offering of a portion of its stock to the public.

. . .

When Marshall Field III was twenty-six and already worth many millions of dollars, he found himself with nothing to do. He had been educated at Eton and Cambridge. He had enlisted in the First Illinois Cavalry in 1917 as a private, had been switched to the 122nd Field Artillery (33rd Division), had been honorably discharged after attaining his captaincy. Then he had worked, for a time, with Lee, Higginson & Co., first as an apprentice to its head bookkeeper, then as a bond salesman. Such was his background at the beginning of 1920. That year had seen the founding of what was then Glore, Ward & Co., with Glore as president, with Pierce C. Ward (no relation to the Wards of mail-order fame), Earle Reynolds, and Allen L. Withers. Glore had been a Chicago vice president of A. B. Leach (investments) and, although only thirty-two, had banked away a tidy sum. To these men went wealthy Marshall Field with his plan for an investment house, broader in scope, which would include them all. On January 1, 1921, was Marshall Field, Glore, Ward & Co. founded. So outstanding at that time was the name of Field in the new organization that local jokesters, still to recognize the ability of the rest of the firm, were prone to call the company by facetious names—of which the unsacrilegious version was "Marshall Field, Tom, Dick & Harry."

But not long was either Glore or Ward (who retired in 1928) to be known as a Tom, a Dick, or a Harry. Quietly the company went to work and built up a reputation as well as an organization. That same year (1921) a New York office was opened and new associates were brought in. Later a foreign office was established in Paris. When Ward retired, the company took its present name, the officers their present titles.

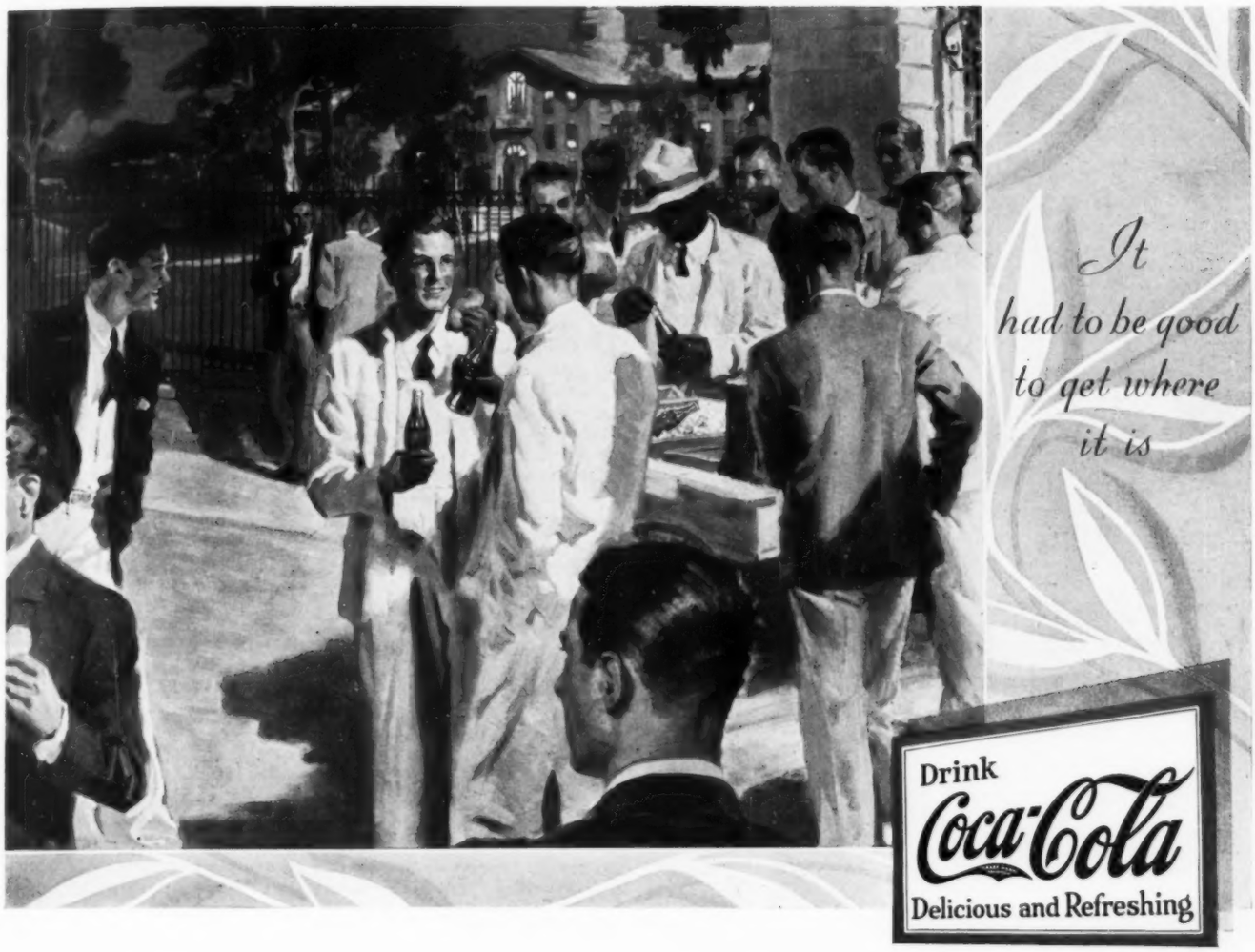
. . .

Charles Foster Glore is forty-two and looks thirty. This is partially due to the man's happy genius for forgetting business when he knows his work is done. In the winter he likes to skate at the Lake Forest Winter Club; in spring and summer he plays middling-good polo. A few weeks after the Chicago Corporation was formed he set sail for the West Indies. He has a large capacity for relaxation.

Except for the month or so each year he usually spends at Miami, Mr. Glore lives with his charming wife and children in a not immense but immensely comfortable house at Lake Forest, where are his polo ponies. In 1910, when he departed from the University of Chicago, through the persuasion of his good friend Harold Higgins Swift (a collegemate though not a classmate), he began to learn about hogs; but when he found them not to his liking he quit Swift & Company and started to learn about stocks and bonds, even though the salary was lower and no Swift-like friend was in the investment business.

Like Mr. Glore, Marshall Field III looks absurdly young. And, as a matter of fact, he is only thirty-six. Because his father left him one of the largest fortunes in the United States, it has been easy now and again for the public to imagine that his participation in such enterprises as Field, Glore & Co. consisted of merely supplying the capital. Such, however, is not the case. His interest has been both active and enthusiastic.

Like Mr. Glore, too, Mr. Field has the rare and valuable quality of being able to amuse himself. His estate at Lloyd's Neck, Long Island, is known by meticulous sportsmen throughout the world for its pheasant shoots, perhaps the best in the country. Here, too, he has his indoor and outdoor tennis courts, his swimming pool, and the other pleasurable accoutrements of a large estate. His reading is voracious and haphazard. Smart, always well dressed, and cheerful, Marshall Field III is one of the country's best examples of the happily balanced millionaire who knows how to avoid the dullness bred of too constant work, but who, withal, will never be too rich *not* to work.



At Princeton they call it "Poler's Recess" —but it means *the pause that refreshes*

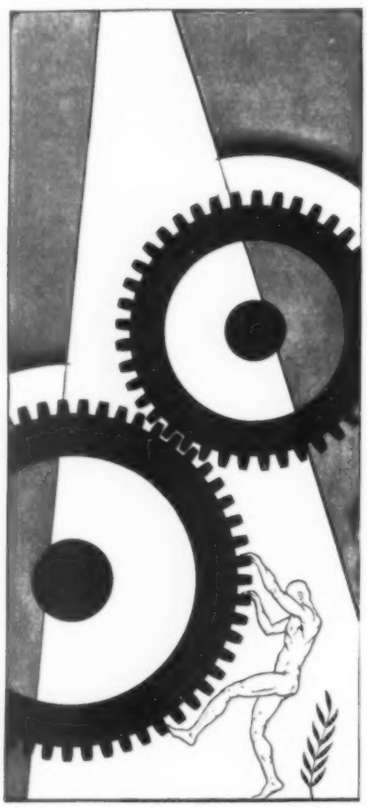
NIGHTS when everybody is studying for examinations, the 9-o'clock bell of Old Nassau signals "Poler's recess." Study stops, and for a few minutes the quiet campus breaks into noisy, happy activity. Favorite fountains on Nassau Street fill with groups—to relax in good fellowship, to *pause and refresh themselves* with ice-cold Coca-Cola. Then back to study with a fresh start. » » » Other nights throughout the year there's another traditional break in routine —visits to the "jigger-man" at the gate with his cart of bacon buns and ice-cold Coca-Cola. » » » Thus does the world outside learn from happy youth how to enjoy *the pause that refreshes*. That tingling, delicious taste and cool after-sense of refreshment make Coca-Cola the favorite drink everywhere.

THE BEST SERVED DRINK IN THE WORLD
A pure drink of natural flavors served ice-cold in its own glass and in its own bottle: The crystal-thin Coca-Cola glass that represents the best in soda fountain service. The distinctive Coca-Cola bottle you can always identify; it is sterilized, filled and sealed air-tight without the touch of human hands, insuring purity and wholesomeness. The Coca-Cola Company, Atlanta, Ga.

LISTEN IN—Grantland Rice—Famous Sports Champions—Coca-Cola Orchestra —Wed. 10:30 to 11 p. m. Eastern Daylight Saving Time.—Coast to Coast NBC Network

NINE MILLION A DAY

Research is the genius of modern business. Today and tomorrow offer rich reward to those who are willing to search for the better machine—the simpler method—or the new process which converts waste material into a serviceable product. The Rand Laboratories, Incorporated, is a group associated for industrial research.



RAND LABORATORIES INC.
A unit of THE RAND COMPANIES
RAND TOWER, MINNEAPOLIS

Cheap & Smart

[*Continued from page 86*]

package must be brought back to the store. Since it costs Macy's about thirty cents to deliver a package, C.O.D. deliveries can roll up a good-sized dead loss item. In the D.A. Macy's has developed a unique and highly satisfactory solution of the cash-down problem. The D.A. Department is a private bank operating under the New York State banking laws, with 61,000 active depositors, who are also active Macy customers. The workings of the D.A. are simple: the customer deposits his money, any sum from $1.00 upward, and then charges his purchases in the store up against his deposits in the D.A. He gets 4 per cent interest on his minimum balance each month, and at Christmas time a bonus of about 2 per cent of purchases made during the year and charged to D.A. This last, however, is not guaranteed.

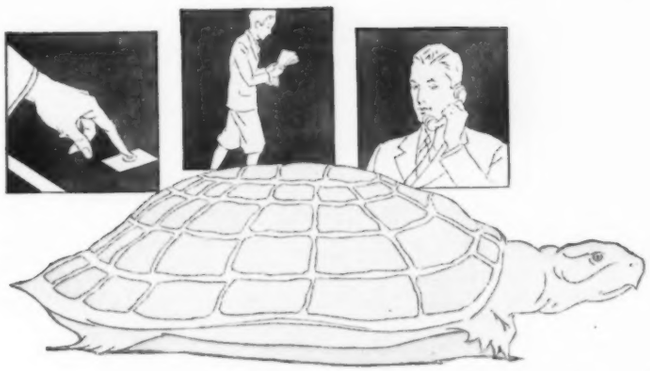
But the most striking evidence of progress at Macy's is the past history of the store. It was established in 1858 by Rowland H. Macy, a hard-driving Yankee merchant and sea captain, who pushed his store into prominence before he died. From the first he sold for cash only. After his death, partners carried on the business in its rambling block of buildings at Fourteenth Street and Sixth Avenue. They were indifferently successful, for Macy's bore the marks of no genius like A. T. Stewart or John Wanamaker. At last, in 1888, Macy's received its share, and more, of merchandising talent: Lazarus Straus, from Georgia, and his two sons, Isidor and Nathan, bought out the partners' interest. The Brothers Straus had started as tenants in the basement, where they had run a china shop with success enough to buy out the entire store. Under the Straus brothers, chiefly Isidor—for Nathan soon went off and became a partner in Brooklyn's Abraham & Straus—Macy's prospered so greatly that in 1902 the store was moved uptown to its present site on Herald Square. But all this time and for many years after 1902, Macy's, lusty and thriving as it was, held a humble position in the hierarchy of New York stores. Stewart's and Wanamaker's, and later, Altman's, Lord & Taylor's, Best's—these were the stores that were graced by the "carriage trade" of those times.

Macy's has been getting its share of "carriage trade" in more recent times. One day last fall it was found that out of 476 private cars that drove up to Macy's, the four leading makes were Packard (104), Cadillac (76), Lincoln (72), and Pierce-Arrow (47). The Ford was ninth on the list. In the old days the thousands who jammed Macy's were frankly bargain hunters. The store was cheap, and little more. Today Macy's is still cheap. But Macy's is also smart. And in arriving at this happy paradox, the store has contributed a notable chapter to the history of merchandising.

CHRISTMAS AT MACY'S

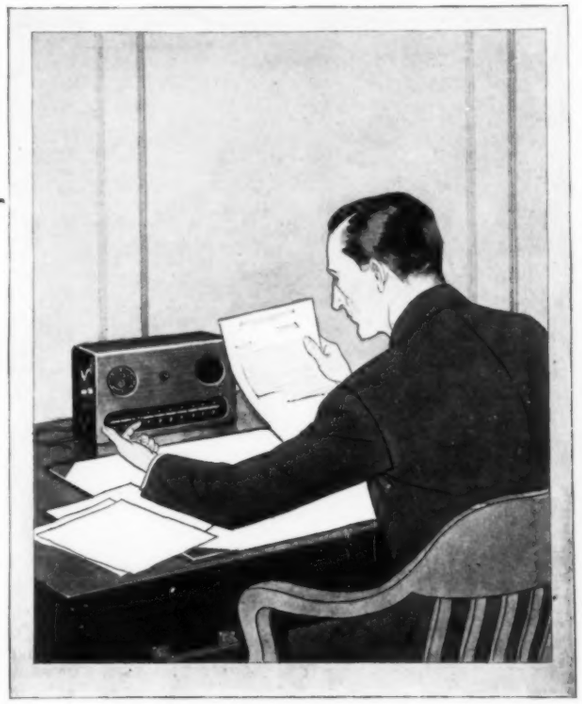
There is Christmas at Sea, Christmas in the Mining Camp, Christmas on the Old Homestead (after the arrival of Roger with the Mortgage Money), but what of Christmas in a Department Store? The Season brings to Macy's a good part of its annual profits nicely wrapped up in such phenomena as these:

121,000 dolls sold
5 tons of plum pudding sold
1,250,000 cash transactions a week as against a normal 567,000
A clerk behind every 30 inches of the novelty jewelry counters
27,000 people riding on 5 escalators from the street floor to the second floor in one hour
8,000 questions a day asked of, and answered by, a single information clerk
10 times the normal trade in fine jewelry
8 times the normal trade in handkerchiefs
6,000 pedal automobiles sold
101,390 parcels delivered in one day
3 tons of pennies bought by Macy's from the U. S. Treasury each week
13,500 employees as against a summer pay roll of 8,100



T-O-O S-L-O-W

Lightning Fast



DOES your overhead statement show an "Executive Waiting Time" item? No matter *what* it's called, the cost is on your books.

You can't confer with a member of your staff unless you wait. You press a buzzer . . . and *wait*. You summon and send a messenger . . . and *wait*. You pick up your 'phone for an inside call . . . and *wait*.

Once those were best ways. Now they're out of date . . . *Too slow!*

The DICTOGRAPH SYSTEM OF INTERIOR TELEPHONES saves the minutes that add up to hours and days—time that you must pay for, whether it earns a profit or pleads guilty to a loss . . . DICTOGRAPH knows no waits. You flick a key and speak quietly toward a microphone in the little instrument across your desk. The responding voice comes to you distinctly, *naturally* from its loud speaker.

DICTOGRAPH places you in immediate conversational contact with any member of your staff at any minute of the day. No one wastes a moment in walking from one office to another. The telephone switchboard is cleared of the confusing burden of "inside calls." Business is conducted with greater speed and concentration, greater accuracy and comfort. Time and energy wasted by old-fashioned methods of communication are turned into *profit!*

It will take only a few moments to show you DICTOGRAPH in actual operation on your desk—at no obligation to you . . . Consult the telephone directory for our address in your city. Or write to DICTOGRAPH PRODUCTS CO. INC., 226 West 42nd Street, New York City.

DICTOGRAPH

SYSTEM OF INTERIOR TELEPHONES

The Modern Miracle of Business

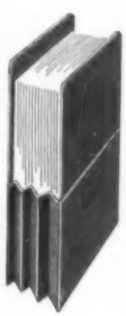
Take No Chances

with folders like these. Lost or misfiled papers can cause important business losses—files with bulging, flat folders like those pictured above cause a steady operation loss, as well as being a constant source of annoyance and inconvenience. Flat folders were never intended to contain many papers or for continued use.

Vertex

FILE POCKETS

on the other hand are firm, durable, expansible filing containers that can be used in any vertical filing system. They will not slump in the file, but stand erect with their index tabs in plain view; will hold three or three hundred letters with equal facility; are easy to remove or replace in the file; save time in daily finding and filing of papers, and improve instantly the efficiency and appearance of the drawer.



Stop using flat folders. Start now with a free sample "Vertex" File Pocket and know filing satisfaction. Use the coupon below. (This offer is naturally limited to those having or using vertical files.)

CUT HERE

Please send me for trial in my files a free sample of the Bushnell Paperoid "VERTEX" File Pocket as described in May, 1930, Fortune.

Name of Firm .....

Address .....

Name and Position of Person Inquiring .....

Letter Size or Legal Size Desired? .....

To ALVAH BUSHNELL CO., Dept. F
13th & Wood Sts. Philadelphia, Pa.

Fortune

SUBSCRIPTION DEPARTMENT
350 East 22nd Street, Chicago, Illinois.

Enter my Subscription for FORTUNE for one year and send me a bill for $10.

Name .....

Address .....

.....

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912,

Of Fortune, published monthly at New York, N. Y. for April 1, 1930.

State of New York } ss.
County of New York }

Before me, a Notary Public in and for the State and county aforesaid, personally appeared Henry R. Luce, who, having been duly sworn according to law, deposes and says that he is the General Manager of Fortune, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Time, Incorporated, 205 East 42nd St., New York, N. Y.; Editor, Henry R. Luce, 205 East 42nd St., New York, N. Y.; Managing Editor, Parker Lloyd-Smith, 205 East 42nd St., New York, N. Y.; Business Manager, Henry R. Luce, 205 East 42nd St., New York, N. Y.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) Time-Fortune Corporation, 205 East 42nd St., New York, N. Y.; Time, Incorporated, 205 East 42nd St., New York, N. Y.; Robert A. Chambers, 100 East 42nd St., New York, N. Y.; Harry P. Davison, Jr., 23 Wall St., New York, N. Y.; John H. Griffin, Argus Publishing Company, Albany, N. Y.; William V. Griffin, 70 Broadway, New York, N. Y.; Crowell Hadden III, 43 Exchange Place, New York, N. Y.; Edith H. Harkness, 4 East 66th St., New York, N. Y.; Edward S. Harkness, 654 Madison Ave., New York, N. Y.; William H. Harkness, 15 Broad St., New York, N. Y.; Louise H. Ingalls, Navy Building, Washington, D. C.; Robert L. Johnson, 205 East 42nd St., New York, N. Y.; Roy E. Larsen, 205 East 42nd St., New York, N. Y.; Wilton Lloyd-Smith, 63 Wall St., New York, N. Y.; Henry R. Luce, 205 East 42nd St., New York, N. Y.; John S. Martin, 205 East 42nd St., New York, N. Y.

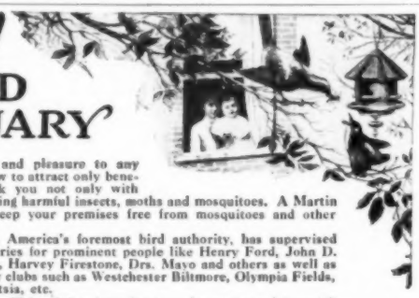
3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is ..... (This information is required from daily publications only.)

HENRY R. LUCE,
General Manager.

Sworn to and subscribed before me this 20th day of March, 1930.
[SEAL.]
Chas. W. Abbott.
(My commission expires March 31, 1931.)



Ah! A BIRD SANCTUARY

Birds add untold interest and pleasure to any grounds or estate. Learn how to attract only beneficial song birds who thank you not only with cheery songs, but by destroying harmful insects, moths and mosquitoes. A Martin colony, for instance, will keep your premises free from mosquitoes and other flying insect pests.

JOSEPH H. DODSON, America's foremost bird authority, has supervised the building of bird sanctuaries for prominent people like Henry Ford, John D. Rockefeller, Thomas Edison, Harvey Firestone, Drs. Mayo and others as well as country clubs such as Westchester Biltmore, Olympia Fields, Onwentsia, etc.

Joseph H. Dodson

He will be glad to hear from any home owner interested in helping preserve America's song birds and to confer personally regarding the construction of a sanctuary or the proper location of bird houses on your property. Even a small garden can be made a haven for our beautiful birds. Write Mr. Dodson today and learn how to attract birds to your premises this season.

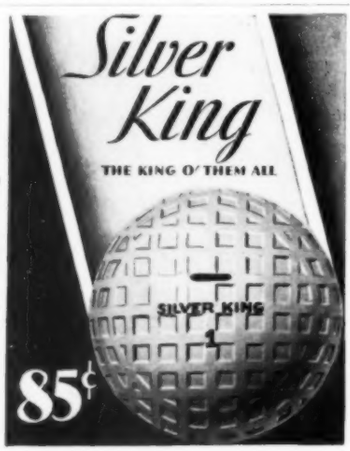
JOSEPH H. DODSON, INC.
"Bird Lodge" 239 Harrison St., Kankakee, Ill.

A Book Will Be Sent to Those Interested—
"Your Bird Friends and How to Win Them."

John Wanamaker
NEW YORK

Sole United States distributors for the Silvertown Company, London

New York Boston Philadelphia
Chicago Memphis
Los Angeles



This beautiful "Lincraft" Post-and-Rail Fence—11 ft. rails, 65 cents each; posts 95 cents and $1.00 each

Send for "The Book of Fences"

describing Lincraft Rustic Fences, as installed on some of America's most beautiful estates and suburban properties. The Lincraft Line includes Post-and-Rail, English Hurdle and Woven Fences, both hand and machine, sturdily constructed of seasoned, weather-resisting woods. A Lincraft Fence requires no painting, and age only adds to its beauty. It is economical in first cost, installation and up-keep.

LINCRAFT
RUSTIC FENCES

NEW JERSEY FENCE COMPANY
34 LOGAN AVE. BURLINGTON, N. J.

JOHN HANCOCK SERIES

Building an Estate

What can be done with Life Insurance

TO plan and build an estate of substantial size is a serious and often a lifelong problem.

Is the estate you will leave sufficient to do for your family all you would like? If not, do you know how you can increase it immediately? How you can make sure of leaving them enough money for their needs?

Through *Life Insurance*, with a comparatively small annual premium, you can build an estate of substantial size and effectiveness,—the proceeds payable at whatever time and in whatever manner you designate.

If interested, cut this out, write your name across it, mail to Inquiry Bureau, 197 Clarendon Street, Boston, Mass., and receive our booklet, "This Matter of Success."

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS
197 Clarendon St., Boston, Mass.
Fr.
Over Sixty-seven Years in Business

These Pictures Show How

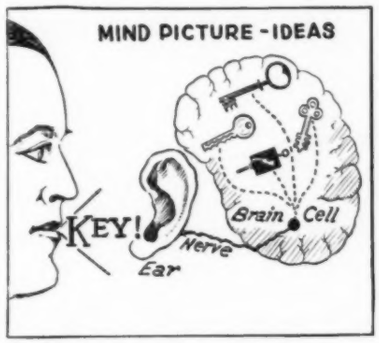
NEW-TYPE BUSINESS MOVIES

Send Your Selling Story Into a Buyer's Brain *Without Confusion*

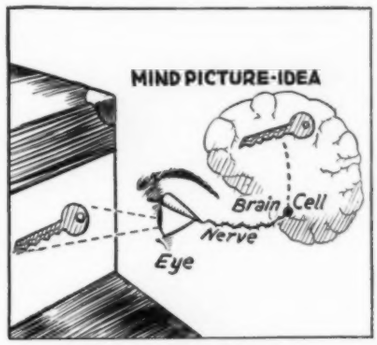
Scientific Explanation of the Workings of the Human Brain's 9,000,000,000 Cells Reveals* EYE-WAY *as Shortest, Quickest, Surest Route to Order-Writing

An Amazingly Simplified Selling Method That Enables Your Salesman to Get and Hold a Buyer's Attention. And—to Start Off on the Right Foot When He Begins to Present Your Sales Proposition

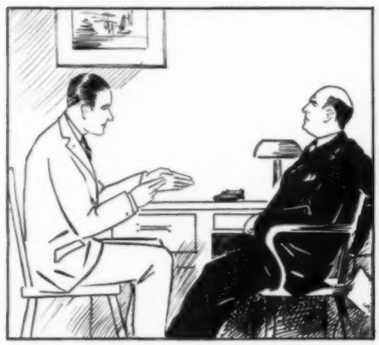
Developed from Finding that Pictures-in-Motion are Far Superior to Words in Building Dominant "Buying Idea" About Your Product or Service in Prospect's Mind, New-Type Business Movies Speed Up Selling Remarkably



EAR-WAY *is Confusing*



EYE-WAY *is Clear*



TALKING *Slows Down Sales*

MOVIES *Speed Up Sales*

KNOWN by every salesmanager—the easiest way to start a sale is to get the buyer believing he knows the product...thinking he knows all the reasons why it is a good "buy".

For, in that frame of mind, a buyer is not afraid of *losing face* in the salesman's eyes *by betraying ignorance of the product.* He's ready to talk buying.

Unknown by every salesmanager—how to get the average salesman to put complete buying information about the product into a buyer's brain without confusion? In a few minutes? Without skipping part of the story? Before starting to sell?

Science offers a simple solution.

What It Is

Science reveals that *hearing* even a simple word like "key" causes the ear-nerve-brain cell system to bring to mind all the most familiar types of keys.

On the other hand, *seeing a photograph* of a key causes the eye-nerve-brain cell system to put into mind the exact image of that particular key *only.*

Thus, the shortest, quickest, surest of routes to the human brain's 9 billion cells is the *EYE-WAY.* It's the simplest way to sell—with the New-Type Movie.

How The New-Type Movie Simplifies Selling

To successfully build in a buyer's mind a complete panorama of buying idea-pictures which shows exactly what your product is and how it will prove advantageous to him, the New-Type Business Movie reveals each picture in its proper idea-relation to the one immediately preceding.

In other words, the technique of the Master Salesman is the technique of the New-Type Movie. It presents instantly understandable ideas in picture form in a way so that when they are flashed on a screen before a buyer they travel one after the other, like freight cars going into a tunnel, through his eyes to his brain.

Thus, the one quick way to a buyer's brain...the way that does not confuse...the EYE-WAY...is easily and surely gained by this step-by-step, confidence-building pictures-in-motion method.

New-Type Movie Developed By Pathéscope

Pathéscope offers you a "star" movie that not only presents your product to buyers in the same manner that your star salesman has developed from years of experience, but with the clearness of photography, the forcefulness of logic, the persuasiveness of the action in demonstrations, and the glamour of showmanship.

A Complete Professional Service

Pathéscope is equipped to plan and produce your New-Type Selling Movie from scenario to finished film. Directors, trained in the specialized problems of business movie-making, work closely with clients at every step.

The cost of a film is moderate. We would be pleased to plan a scenario for you and submit an estimate. No obligation, of course.

Business Movies Save Time, Money Get Interviews For Salesmen Now

A salesman meets a buyer. The salesman sets out to "sell". The buyer, to keep from being sold. Result—Conflict.

Antagonism removed, selling is easy. Simple to do this way.

Focus the buyer's attention on a "third party"...a movie projector. Let him see a New-Type Movie that gives your selling story up to the point of actually talking terms and prices with perfection never before possible.

Thus, by getting and holding the buyer's favorable attention, your salesman is able to start off on the right foot when he begins to present your sales proposition. First call sales increase—time saved. Travelling expenses drop.

And remember—buyers are glad to see the man with movies. Seeing is believing. They'd rather look than listen.

SEND NOW FOR COMPLETE INFORMATION FREE

F-May

THE PATHÉSCOPE CO. OF AMERICA, INC.
35 West 42nd St., New York

Kindly send me complete information about the new-type business movie. No obligation, of course.

Name.....

Company.....

Street.....

City.....*State*.....

THE PATHÉSCOPE CO. OF AMERICA, *Inc.*

Producers and Distributors of Business Movies: Sound, Silent and Still Picture Films

The Book-Cadillac Hotel
DETROIT

Good night

Goodmorning, Lady, we are glad you came. You promised for many moons that someday you'd come to find the meaning of "softest, sleepiest beds in all the world." Now, you're here. We're glad. Last night, when you first glimpsed your room, with both bed lamps lighted, with straying night winds singing outside, with the warm fluffy bed covers on both beds turned back, *were you pleased?* When you stayed awake a bit after he had gone to sleep, was it to worry a little over the marking of the milk ticket back home or did you stay to breathe an extra special prayer for the youngsters? Now we've wakened you, for it's breakfast time. Tell us what you want. Grapefruit, sweet and sour, delicious? Hot, butter-melting, crusty, yellow waffles? Maple syrup that pours and tastes like old gold? Coffee? Toast? Lady, dear, for a smile from you (and from him) we'd tumble a mountain down.

The Book-Cadillac Hotel

ON WASHINGTON BOULEVARD
THE STREET OF FINE SHOPS

DETROIT

CARL M. SNYDER — MANAGING DIRECTOR

Index of Advertisers

May 1930

	Page
Aetna Life Insurance Company	95
Aluminum Company of America	110
American Blower Corporation	148
American Multigraph Sales Company	125
American Writing Paper Company	115
Austin Company, The,	105
Bayley Company, William,	135
Book-Cadillac Hotel	146
Brooks Brothers	112
Bryant Heater & Mfg. Company	11
Burnham Boiler Corporation	18
Bushnell Company, Alvah,	144
Californians, Incorporated	3
Canadian National Railways	128
Canadian Pacific Railway Company	23
Carrier Engineering Corporation	147
Central Mfrs. Mutual Insurance Co.	137
Clark Grave Vault Company	122
Chilmark Park Realty Corporation	138
Coca Cola Company	141
Cowan & Dengler, Incorporated	31
Crane & Company	114
Crane Company	6
Curtiss Wright Sales Corporation	1
Detroit Aircraft	133
Dick Company, A. B.,	9
Dictograph Products Corporation	143
Dodge Boat Works, Inc., Horace E.,	II Cov.
Dodson, Joseph H.,	144
Drake, The,	134
Elkay Manufacturing Company	26
Ernst & Ernst	26
Erskine Danforth Corporation	4
Field & Company, Marshall,	7
Firestone Tire & Rubber Company	5
First National Bank of Boston	101
Fokker Aircraft Corporation	33
French Line	118
General Box Company	107
General Electric	129
General Gas & Light Company	146
Glen Springs, The,	140
Globe Register Company	132
Goodyear Tire & Rubber Company	34-35
Guardian Trust Company	27
Hartford Fire Insurance Company	119
Hawaii Tourist Bureau	30
Hercules Powder Company	III Cov.
Hotel Hollenden	140
Hornblower & Weeks	26
International Mercantile Marine	116
Isotta Motors, Incorporated	12
John Hancock Mutual Life Ins. Co.	144
Johnson & Johnson	126
La Monte & Son, George,	28
Los Angeles Chamber of Commerce	20
Lyon, Inc., Howard W.,	124
Lyon Metal Products, Inc.	117
Marmon Motor Car Company	29
Meredith Publishing Company	16
Monroe Calculating Machine Company	127
Nelson Company, Alfred,	26
New Jersey Fence Company	144
New York Trust Company	22
Northwest Bancorporation	139
Norton Company	21
Otis & Company	134
Packard Motor Car Company	36
Pathescope Company of America	145
Pierce-Arrow Motor Car Company	109
Pinaud, Incorporated	123
Rand Company, The,	142
Remington-Rand	120-121
Reynolds Tobacco Company, R. J.,	IV Cov.
Richardson Boat Company	136
Santa Fe Railroad	24
Scovell-Wellington	28
Scripps Motor Company	136
Simmonds Saw & Steel Company	32
Sirrine & Company, J. E.,	130
Smith & Sons Boat Company, Chris,	19
Spaulding-Gorham, Incorporated	2
Stedman Rubber Flooring Company	14
Texas Company	15
Thompson Company, J. Walter,	113
Tripler & Company, F. R.,	10
United States Lines	17
United States Radiator Corporation	131
Wanamaker, John,	144
Westinghouse Electric & Mfg. Co.	103
Whitaker & Company	28
Wholey, Inc., William F.,	25
Wood, Gar,	13
Young & Rubicam	93

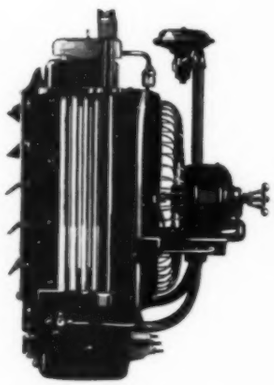
CHECK

Hundreds of industries testify to the advantages and economies of unit heating. A sound theory has become a general practice.

. . . AND DOUBLE CHECK

Gas-fired unit heaters are superior because they provide greater efficiency, flexibility and economy.

The Humphrey Gas UNIT HEATER



Humphrey Gas Unit Heaters provide instant, controllable heat where and when it is needed . . . eliminate coal, smoke, dust, central heating plants and their attendant labor . . . actually pay for themselves in increased heating economy and efficiency. Our heating engineers are valuable men to talk with . . . inquiries invited . . . write for catalog.

GENERAL GAS LIGHT CO.
KALAMAZOO, MICHIGAN
New York Pittsburgh Cleveland San Francisco

Seventeen Humphrey Gas Unit Heaters are all that are required to efficiently heat the mammoth Fairground Auditorium at Billings, Montana. The above photo shows a few of the installations (circled) which take up neither valuable wall nor floor space.

Why one great Department Store spent $1,000,000 *for Manufactured Weather*

Manufactured Weather maintains comfort for patrons . . . induces mutual courtesy and good will . . . stimulates sales.

HUDSON Stores in Detroit invested that much money to make their customers and salespeople more comfortable. To make "Every day a *good* day" in their stores regardless of unpleasant outdoor weather.

This was not a single plunge into a questionable venture. In 1925 Carrier Engineers installed Manufactured Weather for the two basements and the street floor. It proved spectacularly successful.

Then in 1929 the store was practically doubled in size. Having learned the advantages of Manufactured Weather, the management again called in Carrier Engineers. This time to provide one of the most extensive air-conditioning systems ever built.

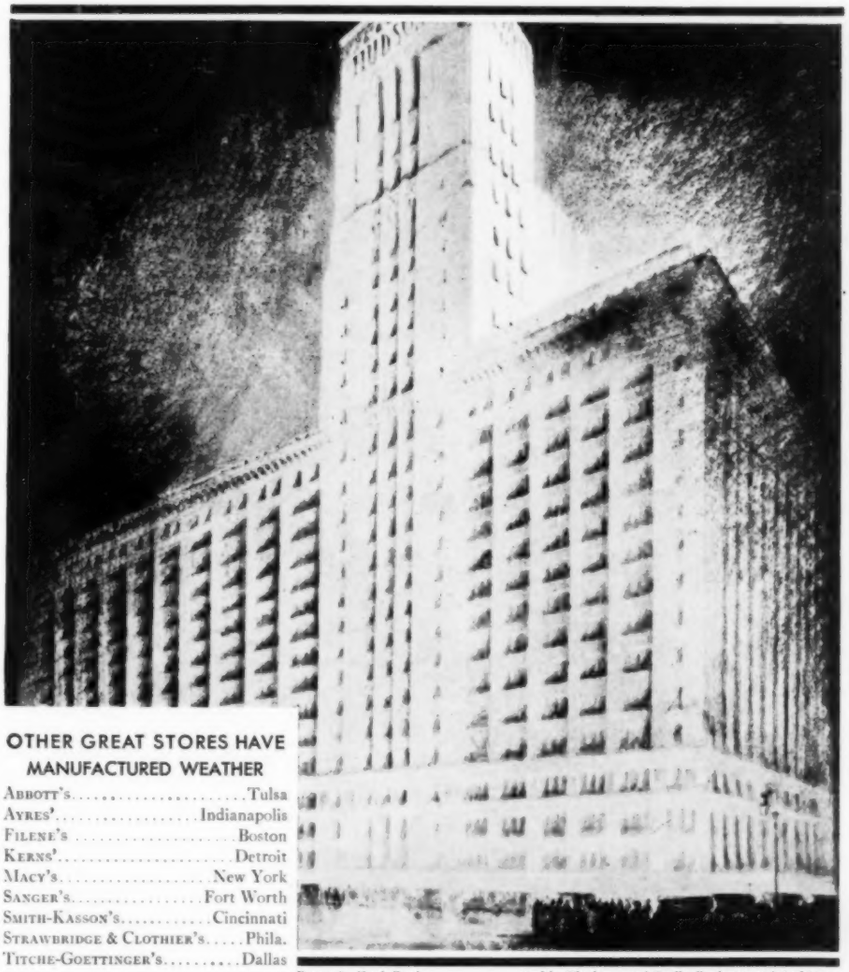
Hudson Stores now have Manufactured Weather in the four basements—one below the other—in the street floors, the mezzanines and the dining rooms.

Thousands of shoppers throng their aisles. They come and go. They leave more refreshed than when they entered.

Patrons, stepping from the muggy humidity of a summer day into the cool and refreshing air of this great store, are instantly revived. Hurrying out of a bitter winter storm into fresh air that is warm without being stuffy . . . without a suspicion of draft . . . they are immediately comfortable.

Executives claim that increased patronage alone will pay for the installations.

Carrier Systems can be designed for the smallest shops or the largest buildings. Your buildings, or any part of them, can be made more profitable with Manufactured Weather. A letter to our Newark, N. J., office will bring you a Carrier Engineer who has specialized in your field. There is no obligation.



OTHER GREAT STORES HAVE MANUFACTURED WEATHER

Abbott's	Tulsa
Ayres'	Indianapolis
Filene's	Boston
Kerns'	Detroit
Macy's	New York
Sanger's	Fort Worth
Smith-Kasson's	Cincinnati
Strawbridge & Clothier's	Phila.
Titche-Goettinger's	Dallas

Drawn by Hugh Ferris

Smith, Hinchman and Grylls, Engineers and Architects.

Carrier Engineering Corporation

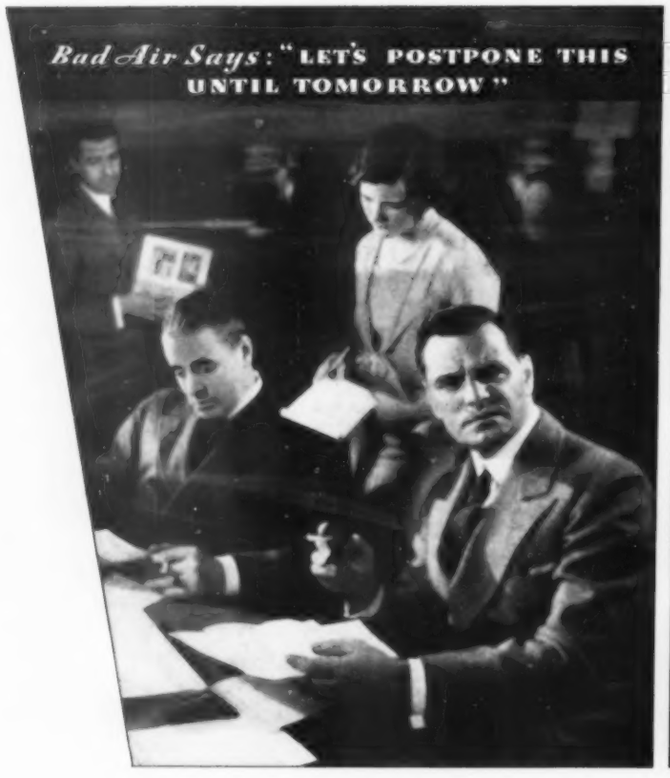
NEWARK, NEW JERSEY

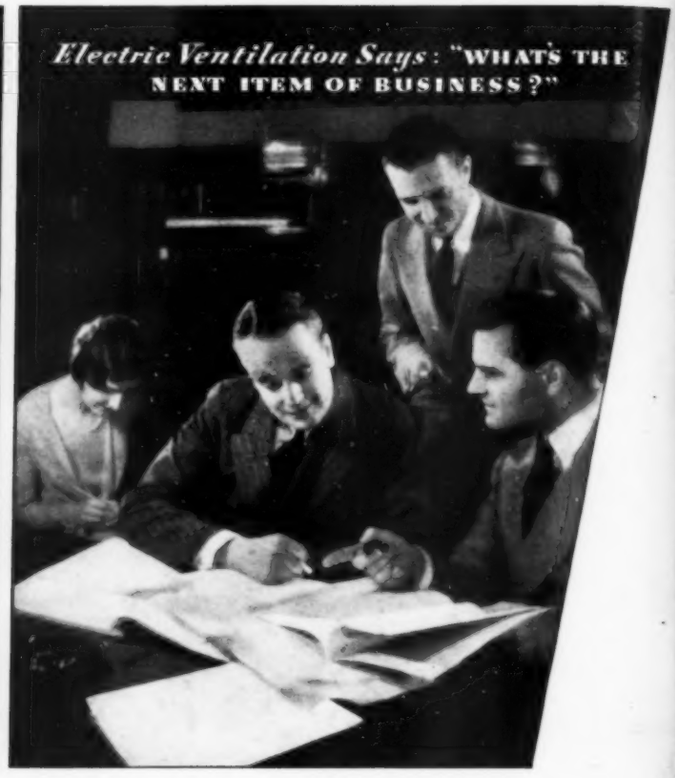
OFFICES: New York, Philadelphia, Boston, Chicago, Cleveland, Washington
Detroit, Kansas City, Dallas, Los Angeles

Manufactured Weather *makes* "Every day a *good* day"

CARRIER ENGINEERING CO., LTD.
LONDON, PARIS, BOMBAY, CALCUTTA, JOHANNESBURG

CARRIER LUFTTECHNISCHE GESELLSCHAFT
STUTTGART, BERLIN





· B A D · A I R · I S · B A D · B U S I N E S S ·

You'll never realize the value of Electric Ventilation - until you have it

RUN down, drowsy, exhausted? . . . *try Electric Ventilation.* Half-sick, sleepy, tired? . . . *try Electric Ventilation.* Troubled with afternoon fatigue, smoking bother the eyes? . . . *try Electric Ventilation.* Easily irritated, careless, crabby? . . . *try Electric Ventilation.* Because Electric Ventilation (fresh air — changed at regular intervals) is as necessary to good health and good work as pure food and water. With American Blower equipment, Electric Ventilation for offices, stores, restaurants, theatres, factories and similar businesses can be installed at a cost comparable to that of good lighting equipment. Call in the nearest American Blower authorized dealer — have him give you a ventilation survey of your business . . . tell you how easily and economically he can apply Electric Ventilation . . . or get in touch with the nearest American Blower Sales and Engineering Branch Office.

AMERICAN BLOWER CORPORATION, DETROIT, MICHIGAN
CANADIAN SIROCCO CO., LIMITED, WINDSOR, ONTARIO
BRANCH OFFICES IN ALL PRINCIPAL CITIES

(1000)

American Blower

"Sirocco" VENTILATING, HEATING, AIR CONDITIONING, DRYING, MECHANICAL DRAFT
MANUFACTURERS OF ALL TYPES OF AIR HANDLING EQUIPMENT SINCE 1881